
EXHIBIT 13.



POLO RALPH LAUREN
RETAIL EMPLOYEE HANDBOOK

APRIL 2007

CONFIDENTIAL

POLO 001502



HANDBOOK OVERVIEW

YOUR EMPLOYMENT WITH POLO RALPH LAUREN

This Handbook describes benefits and policies designed for retail employees of Polo Ralph Lauren Corporation and certain subsidiaries and affiliates. This Handbook supersedes prior Handbooks, which should be discarded.

Neither this Handbook nor any other statement of policy or procedure constitutes a contractual relationship, either expressed or implied, between any employee and the Company. Nor does it guarantee any fixed terms or conditions of employment. We consider the employment relationship between Polo Ralph Lauren and its employees to be "at will." This means that employment may be terminated by either the Company or the employee at any time, with or without cause, and with or without notice, notwithstanding any other provisions of this Handbook or other statements of policy or procedure. Further, no representative of

the Company, other than the Company's President-Chief Operating Officer or the Company's Senior Vice President of Human Resources, has the authority to enter into an agreement of employment for any specified period of time or to make any agreement contrary to the foregoing. Any such agreement is valid only if it is in writing and signed by the Company's President-Chief Operating Officer or the Company's Senior Vice President of Human Resources.

The Company currently intends to continue the pay practices, employment policies and benefits described in this Handbook. However, the Company reserves the right, whether in an individual case or more generally, to alter, reduce, or eliminate any pay practice, policy, or benefit, completely or in part, at any time, with or without notice. Moreover, if these policies or procedures are not followed, the personnel actions or decisions will not necessarily be reversed or modified.



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I: WELCOME TO POLO RALPH LAUREN

Dear Associate,

When I created this Company approximately 40 years ago, it was out of a desire to elevate and celebrate authentic American design and culture. At the heart, there has been a lifestyle vision of quality, integrity and enduring style that has truly resonated with consumers around the world.

Over several decades the Company has grown into a global leader in the fashion industry. We have assembled a world-class team of employees who contribute to our success in all areas of our business. Our extraordinary design and marketing capabilities are combined with first-class talent in all operational areas of the business.

At the core of our Company and our success are dedicated and talented employees who are passionate about who we are and the special contribution we make to the world of design and fashion. As our Company has grown larger and more complex, it is important that we continue to develop new ways to capture the essence of what makes us a family.

Allow me to welcome you to our family and wish you great success as you add your unique contribution to this wonderful enterprise.

Sincerely,

A handwritten signature in dark ink that reads "Ralph Lauren". The script is fluid and cursive.

Ralph Lauren
Chairman

RALPH LAUREN BIOGRAPHY

"I have always had a clear vision. I wanted to develop quality products that didn't exist and create a whole world around that. That means taking risks, going with what you feel, but never losing sight of your vision and conviction."

In these words, Ralph Lauren, Chairman and Chief Executive Officer of Polo Ralph Lauren, defines the philosophy upon which he has built a global lifestyle brand representing the best in American design, exemplified by natural elegance and the utmost attention to detail.

A recognized leader in his field, Mr. Lauren is the only designer to receive the Council of Fashion Designers of America's (CFDA) four highest honors — the Lifetime Achievement Award, the Womenswear Designer of the Year Award, the Menswear Designer of the Year Award, the Retailer of the Year Award, as well as the CFDA's Humanitarian Leadership Award. In celebration of his contribution to American style, Mr. Lauren was among the first designers inducted into the Fashion Walk of Fame in June 2000.

Even early in Mr. Lauren's career, he was recognized by the fashion community when he received the American Fashion Award, the Woolknit Design Award and the Neiman Marcus Distinguished Service Award.

Ralph Lauren began his design career in 1967 with an innovative wide-tie neckwear line that launched the "wide-tie revolution" and marked the beginning of the Polo label. The following year, 1968, saw the introduction of his first menswear collection. At a time when the focus was being placed on the separate pieces of a man's wardrobe, Ralph Lauren pulled all the elements together as part of a wider concept.

In 1972, a full womenswear line, including a complete sportswear line, was launched with Polo's first fashion show for women. It featured an innovative collection of tailored clothing for women which opened new fashion worlds by providing, for the first time, feminine designs and cuts with the beautiful, rich fabrics, authentic details and nuances of menswear tailoring.

That same year, Polo's original mesh shirt with the polo player logo was introduced in 24 colors, instantly becoming an American classic. Ralph Lauren has always believed that fashion is a func-

tion of lifestyle, and style a function of quality, integrity and timelessness. The Polo mesh shirts — along with the oxford button down shirts, chinos, tweed jackets, denim and chambray shirts — have acquired iconic status as the embodiments of authentic American lifestyles, whether it is the New England Coast, the West, Native American culture or Hollywood glamour.

Following his attraction and fascination with the cowboy mystique, in 1978 Ralph Lauren launched his Westernwear collections for men and women, creating a major fashion look with worldwide influence and appeal. He was inspired by the solid design and romance of original Western clothes and chose to promote the collection by appearing in the original ad campaign since it so clearly related to his personal style.

The Santa Fe collection, which made its debut in 1981, drew on the patterns and colors of the Navajo Indians and the American Southwest. Once again, Ralph Lauren successfully captured the essence of the American cultural experience, forging a connection between Polo Ralph Lauren and the romance of the American West and popularizing the American look internationally.

Polo for Boys was introduced in 1978, bringing high quality childrenswear into the market and starting what was to become a long tradition of children's clothing, which exists in the Polo Ralph Lauren lifestyle experience.

As the next step in his philosophy of total design, Ralph Lauren introduced his first fragrances, also in 1978, Polo for Men and Lauren. This was the first time that two fragrances — one for men and one for women — were launched together. They both became international classics. Ever since, Ralph Lauren has continued to create a collection of fragrances, grooming and skin fitness products for men and women to complement Polo's apparel lines.

In keeping with the vision and focus of creating an inviting and aspirational world of lifestyle products, Ralph Lauren Home debuted in 1983, marking the first time a fashion designer launched an entire home collection. Since then, the line has grown to include linens, wall coverings, lighting, a tabletop collection, home accessories and expertly crafted furniture which are made up of modern, country and elegant heritage themes and combine all the elements of design that Ralph Lauren is known for.

In 1986, Ralph Lauren took over the reconstruction of the Rhinelander mansion as a flagship store. The entire building is designed to re-create the classic opulence of the original mansion and transform the cinematic feel of Ralph Lauren clothing and advertising into a physical environment. Already in 1971, the first Ralph Lauren store had set new standards in retailing when it opened in Beverly Hills, California. Today, along with the New York flagship in the former Rhinelander Mansion on Madison Avenue, there are more than 350 Ralph Lauren stores located in cities such as Chicago, Beverly Hills, Palm Beach, London, Tokyo, Paris, Antwerp, and Buenos Aires.

The nineties saw the introduction of the Polo Sport line in 1993, as Ralph Lauren met the national changing attitude toward fitness and health with an entire fitness lifestyle. The Polo Sport line for women was launched in 1996 and the RLX line of authentic, technically specific sportswear in 1998.

In 1994, Ralph Lauren introduced Purple Label; an exclusive brand of men's tailored clothing. Reintroducing true luxury and quality into American menswear, the line of handmade suits is as close to custom as retail can get. Ralph Lauren's Fall 2002 Purple Label Collection, shown in Milan, was heralded by DNR as the top collection of the season.

The year 2000 saw the opening of Polo.com. It was the first website of its nature, providing services, content and product sales to an increasing community of users and creating a context around

the products that have defined the Polo Ralph Lauren experience by transforming the lifestyle image from multipage magazine ads and four-walled retail stores into the dynamic full motion and sound experience of the Internet.

Inspired by the tradition of Polo, Ralph Lauren introduced the new women's Blue Label Collection in 2002, redefining Ralph Lauren classics with a fresh style and a modern, sexy fit, bringing the spirited, youthful Polo lifestyle to a new generation.

Personally and corporately, Ralph Lauren has a strong commitment to philanthropy. He has received numerous awards in recognition of his philanthropic efforts. In 1989, along with the late Katherine Graham, he founded the Nina Hyde Center for Breast Cancer Research at Georgetown University. Mr. Lauren led the fashion industry in its support of breast cancer research with Fashion Targets Breast Cancer and along with the Prince of Wales; Mr. Lauren currently serves as honorary chairman of Breakthrough Breast Cancer U.K. In 2003, Polo Ralph Lauren established the Ralph Lauren Center for Cancer Care and Prevention in Harlem. A unique partnership with Memorial Sloan-Kettering and North General Hospital, the Ralph Lauren Center serves as a model for other underserved communities across the country. Polo Ralph Lauren launched the Pink Pony Campaign, an international initiative to reduce disparities in cancer care and increase access to quality care. In 1998, Polo Ralph Lauren pledged \$13 million to conserve and preserve the Star-Spangled Banner, the flag that inspired our national anthem.



II: COMPANY HISTORY

Polo Ralph Lauren began with a man's tie and a singular point of view about style, elegance and taste. Today, that vision has been translated into 20 diverse brands, solid domestic roots, global expansion and a strong commitment to humanitarian and philanthropic efforts. As a result, Polo Ralph Lauren has received worldwide attention and recognition for a classic and timeless contribution to the world of fashion and the American lifestyle.

In 1967, Ralph Lauren established the Polo Division of Beau Brummel neckties — astonishing the fashion industry by designing wide, handmade ties using unexpected, flamboyant, opulent materials. An instant success, Polo ties quickly became a status item. He chose the name Polo because, to him, the sport represented a lifestyle of athletic grace and discreet elegance. With his first tie, Ralph Lauren revolutionized the industry and inspired the enduring vision of the complete Polo lifestyle. As the 1970s began, Ralph Lauren boldly opened new fashion worlds by reinventing women's style with the introduction of Ralph Lauren womenswear.

Fragrances became the next touchstone in Ralph Lauren's philosophy of total design, presenting Polo for Men and Lauren. For the first time in fashion history, two fragrances — one for men and one for women — were launched simultaneously. Both became classics. Today, Polo Ralph Lauren features an entire wardrobe of outstanding, award-winning fragrances for men and women. Unprecedented in the market, Ralph Lauren's creation of Polo for Boys introduced high-quality childrenswear and began a tradition of children's clothing. Since 1978, Polo children's clothing has expanded into a full line of childrenswear for girls, boys, infants and toddlers.

Ralph Lauren's Home Collection debuted in 1983. Never before had a designer launched an entire home collection. Today, this luxurious line includes furniture, paint, lighting, bedding, bath, table

linens, tabletops, giftware, fabric, wallpaper, bath hardware, and floor coverings, which combine to create a timeless and truly American home.

In 1993, with a singular understanding of the American lifestyle and the changing national attitude toward fitness and health, Ralph Lauren introduced an entire fitness line — Polo Sport.

In 1994, Ralph Lauren's timeless sense of refinement, tailoring and taste prompted his reintroduction of true luxury and quality into American menswear with Purple Label, an exclusive brand of men's tailored clothing.

Launched in 1996, Polo Jeans Co. offers a line of contemporary casualwear for our younger customers. Polo Sport originated its RLX line of functional sportswear in 1998. Ralph Lauren created the RALPH line in 1999 to appeal to the daughter of the Lauren customer.

In 1969, Polo by Ralph Lauren revolutionized the concept of the retail environment by establishing the first shop-within-a-shop — a designer boutique for men in Bloomingdale's in New York City. Two years later, Bloomingdale's in New York City opened the first shop-within-a-shop for women. With the opening of the Beverly Hills Polo store in 1971, Ralph Lauren made history again and became the first American designer with his own freestanding store.

Guided by a pioneering spirit to expand the breadth and reach of his vision, Ralph Lauren opened a store on London's New Bond Street in 1981 and became the first American designer with a European boutique. And he furthered the influence of American style by becoming the first American designer with a store in Paris, opening a Polo Ralph Lauren store on Place de la Madeleine in 1986.

On June 12, 1997, Polo Ralph Lauren began trading publicly on the New York Stock Exchange. Officially, the name of the Company became Polo Ralph Lauren Corporation. Its New York Stock Exchange symbol is "RL."

In 1999, Polo Ralph Lauren acquired Club Monaco, a contemporary brand catering to a young, hip customer with an edgy, urban line of apparel, home furnishings, accessories and cosmetics.

That same year, the RL restaurant in Chicago opened adjacent to our flagship store — the largest Polo flagship store in the world. A glamorous space, the restaurant was designed and appointed with antique furniture and fixtures, a private collection of photography, sketches and oil paintings from the Chicago Historical Society's Archives.

In 2000, Ralph Lauren created another first: Polo.com — the first luxury designer, e-commerce destination website in the United States. Launched by Ralph Lauren media, Polo.com presently offers comprehensive, online access to the classic, American, Ralph Lauren lifestyle with clothing, accessories, fragrances, vintage items, travel, style tips, multimedia information and entertainment, world-class customer service and more.

Ralph Lauren introduced the new women's Blue Label Collection in 2002, redefining Ralph Lauren classics with a fresh style and a modern, sexy fit, bringing the spirited, youthful Polo Lifestyle to a new generation.

In 2003, the Company opened its first domestic children's store at 872 Madison Avenue in New York City. This was followed by the opening of its first Rugby store in October 2004 on Newbury Street in Boston. The Rugby line is a full lifestyle collection designed for men and women ages 16 to 25. It is fashion-forward yet grounded in Ralph Lauren's signature preppy style.

Polo Ralph Lauren now operates more than 270 retail stores worldwide. The Company has approximately 58 full-price stores, 143 outlet stores, and 69 Club Monaco stores.

Recently, Polo Ralph Lauren has acquired its childrenswear, footwear and jeans businesses as it seeks to buy back businesses formerly done through licensees.

In addition to demonstrating vision and excellence in the fashion industry, Ralph Lauren continuously reaffirms his commitment to humanitarian and philanthropic efforts. In 1989, Ralph Lauren founded the Nina Hyde Center for Breast Cancer Research. The institution was named in honor of his friend, Washington Post fashion editor, Nina Hyde, who died of breast cancer. Together with the CFDA (The Council of Fashion Designers of America), Ralph Lauren founded Fashion Targets Breast Cancer in 1994.

In 1996, Polo Ralph Lauren and Polo Sport (the Fitness Fragrance) became the title sponsors of "Polo Sport Race to Deliver," benefiting God's Love We Deliver which serves hot meals to homebound people with AIDS/HIV.

In 1998, Polo Ralph Lauren announced a corporate gift of \$13 million to the "Save America's Treasures Campaign" to preserve the Star-Spangled Banner that is housed at the Smithsonian Institution's National Museum of American History in Washington, D.C.

Polo Ralph Lauren launched its Volunteer Program in 2000. This program energizes employees and creates meaningful connections with their communities.

Polo Ralph Lauren contributed \$5 million to establish the Ralph Lauren Center for Cancer Prevention and Care at North General Hospital in Harlem, New York. The center provides access to quality care for the community.

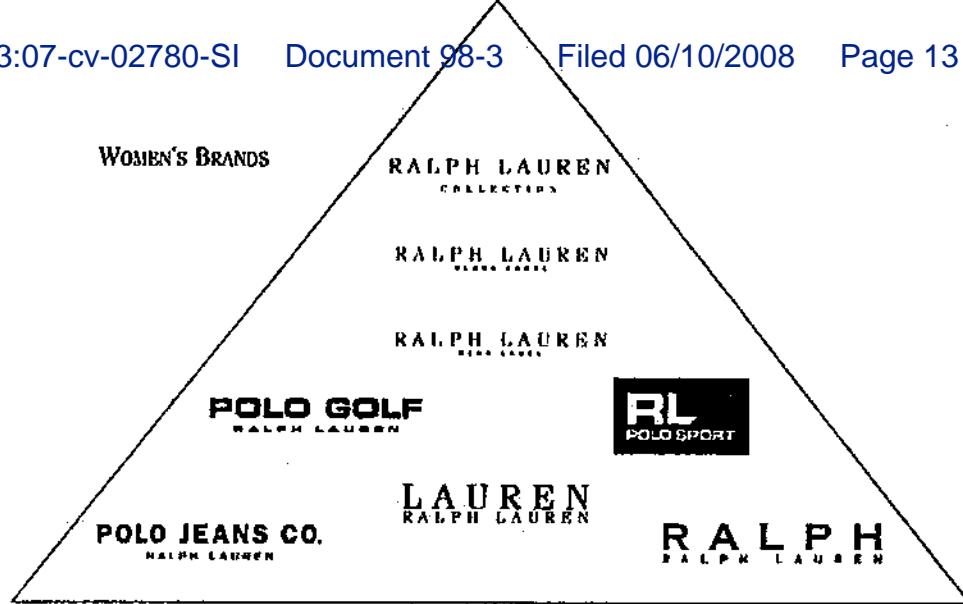
Polo Ralph Lauren began the Pink Pony Campaign, a national initiative to reduce disparities in cancer care by raising awareness, as well as enhancing prevention, screening and diagnostic services for a range of cancers.

In celebration of his contribution to American style, Ralph Lauren was among the first designers inducted into the Fashion Walk of Fame in June 2000. In the past, Ralph Lauren has received many prestigious awards for his unique contributions to the world of fashion and for his unwavering commitment to humanitarian efforts. These include:

Coty Award for Menswear (1970); Tommy Award for Men's Fashion (1971); Coty Return Award for Menswear, Neiman Marcus Distinguished Service Award, and Woolknit Design Award (1973); Coty Womenswear Award and Winnie Award (1974); American

Fashion Award (1975); Induction into the Coty Hall of Fame for Menswear, Coty Award for Womenswear and Return Award for Womenswear – the first person ever to win both Menswear and Womenswear Awards (1976); Induction into the Coty Hall of Fame for Womenswear (1977); Coty Award for Retailer of the Year (1981); The CFDA Fashion Retailer of the Year (1986); FiFi Fragrance Star of the Year for Safari Ralph Lauren (1990); The CFDA Lifetime Achievement Award, Fragrance Foundation's Best Men's Fragrance Award for Polo Crest and the FiFi Fragrance Star of the Year for Safari for Men (1991); The CFDA Womenswear Designer of the Year Award (1995); Humanitarian Award from the Nina Hyde Center for Breast Cancer Research presented by Diana, Princess of Wales, FiFi Award for Best National

Advertising Campaign for Polo Ralph Lauren Sport Women; Honorary Doctorate of Humane Letters from Brandeis University and The CFDA Menswear Designer of the Year Award (1996); The CFDA Award for Humanitarian Leadership presented by Hillary Rodham Clinton (1997); Humanitarian Award from the Breast Cancer Research Foundation presented by Evelyn Lauder, FiFi Fragrance Star of the Year Award for Ralph Lauren Romance, and FiFi Award for Best National Advertising Campaign for Ralph Lauren Romance (1998); and FiFi Fragrance Star of the Year Award for Ralph Lauren Romance for Men and FiFi Award for Best National Advertising Campaign for Ralph Lauren Romance for Men (1999).



WOMEN'S LINES

Collection

The crown jewel of Ralph Lauren womenswear, Collection makes its dramatic first appearance each season on the runways of New York, providing the fashion world with the definitive Ralph Lauren style statement for the season. Embodying opulent sophistication, Collection's distinctive couture sensibility is expressed through modern yet timeless silhouettes — expertly crafted from the finest luxury fabrics — reflecting the epitome of bold femininity and rarefied chic as only Ralph Lauren can express it.

Black Label

Sophisticated and classic with a modern edge, Black Label translates the luxurious spirit of Ralph Lauren into a distinctive, timeless collection of icons for town, country, day and evening. Created from the finest materials, the silhouettes of Black Label — striking, sexy and elegant — are the cornerstones of the Ralph Lauren women's wardrobe.

Blue Label

Classic and authentic with a sexy, youthful spirit, Blue Label embodies the Ralph Lauren sensibility through heritage looks with a fresh modern twist. Inspired by the style and authenticity of Polo, Blue Label offers women the perfect weekend look. Whether reflecting Ivy League-inspired style, a modern take on proper English refinement or a feminine translation of the rugged spirit of the American West, Blue Label creates a mix of style that is eclectic, timeless and unmistakably Ralph Lauren.

Lauren

Created to broaden the reach of the Ralph Lauren women's statement, Lauren conveys a spirit of heritage and tradition while recalling the sophisticated luxury of Black Label. Timeless and perfectly polished, Lauren suits, sportswear and outerwear provide ideal combinations for every occasion, while Lauren Active infuses a country club sensibility into practical sports apparel, creating fashionable wardrobe solutions for golf, tennis, yoga or weekend wear.

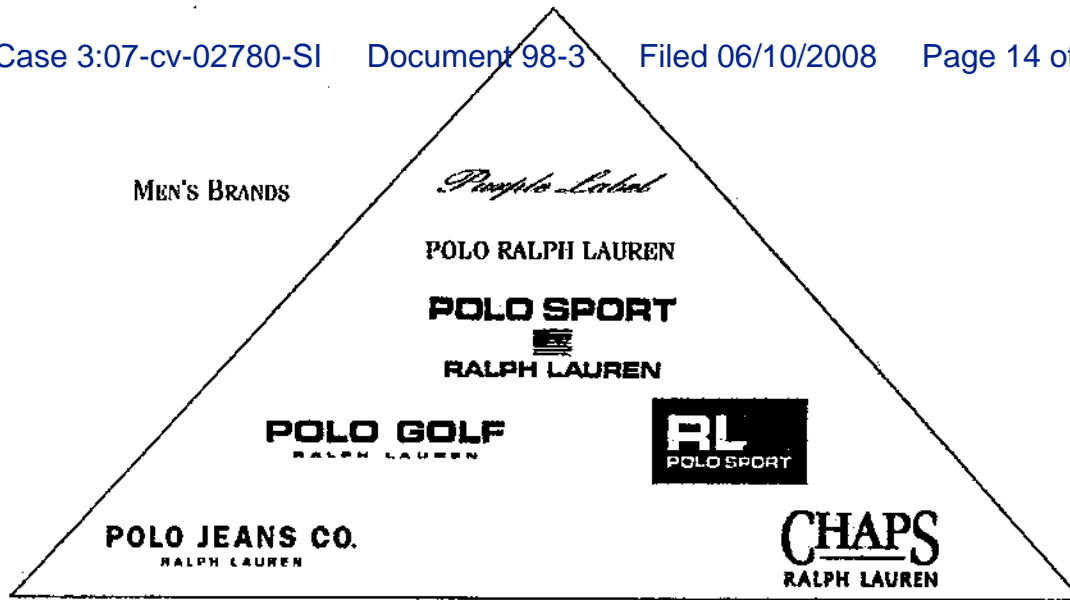
Ralph

With a playful, sexy, self-assured spirit, Ralph eyewear, swimwear, fragrance and bath products offer the next generation of Ralph Lauren women a line of preppy, fun, fashion-forward style.

Pink Pony

Established in 2000, the Pink Pony brand was developed to support cancer care and prevention in medically underserved communities. Pink Pony is dedicated to early diagnosis, treatment and research for breast cancer and other cancers. A portion of sales of Pink Pony products benefits the Pink Pony Fund of the Polo Ralph Lauren Foundation.

The line consists of feminine, slim-cut women's sportswear items and accessories crafted in fine and luxurious fabrics. Sweatshirt hoodies, cotton mesh polos, canvas tote bags and cashmere yoga pants, all items feature our iconic pink polo player logo — a symbol of our commitment to the fight against cancer.



MEN'S LINES

Purple Label

A contemporary take on traditional bespoke tailoring, Ralph Lauren Purple Label is the ultimate expression of modern elegance for men. From perfectly tailored suits to ultra-sophisticated sportswear, Purple Label reflects an impeccable sense of the dashing and refined, calling for the most luxurious fabrics, precise finishes and expert craftsmanship in the spirit of the finest Savile Row tailoring and European hand workmanship.

Black Label

Reflecting a sharp, modern attitude, Ralph Lauren Black Label is a sophisticated new collection for men. Featuring razor-sharp tailoring and dramatically lean silhouettes, the look is at once modern and timeless. Classic suiting and sportswear is infused with a savvy attitude. Iconic yet fresh, the line represents a new chapter in men's style that is the essence of modern elegance. The man who wears Black Label is of the moment but disciplined enough to know his own style.

Polo Ralph Lauren

Classic and authentic, Polo is the foundation of the world of Ralph Lauren menswear, combining the time-honored aesthetic of East Coast Ivy League casual style with proper English refinement. Often imitated but never matched, Polo is a true symbol of the preppy lifestyle. The iconic polo player logo is recognized worldwide as a symbol of heritage and authenticity.

From favorites such as oxford shirts and chino pants to classic tweeds and plaids, the Polo look combines a well-worn feel with an aspirational sensibility, weaving the past into the present to

create a comprehensive line of men's sportswear, tailored clothing and accessories to fulfill a man's every wardrobe need.

Lauren

Created to broaden the reach of the Ralph Lauren men's statement, Lauren conveys a spirit of heritage and tradition while recalling the sophisticated luxury of Polo Ralph Lauren menswear. Timeless and perfectly polished, the Lauren men's line includes suits, sportswear, outerwear and Ralph Lauren brand favorites, such as oxford shirts, chino pants and our iconic cotton mesh Polo shirts. The look captures the essence of Polo Ralph Lauren, combining a well-worn feel with an aspirational sensibility.

Designed to fulfill every wardrobe need, this comprehensive line of men's sportswear, tailored clothing and outerwear provide ideal combinations for every occasion.

OTHER LINES

Children's

Reflecting the timeless spirit of Ralph Lauren, our Childrenswear collections provide classic style for kids of all ages: layette and toddler to girls ages 2 to 13 and boys ages 2 to 15. Featuring seasonal styles as well as the full range of Ralph Lauren icons, including classic polos, oxford shirts, navy blazers and our unsurpassed cashmere, Ralph Lauren Childrenswear brings style to everyday wear and special occasions.

Polo Sport

Evoking timeless prep-school team sports and traditional Northeast nautical-inspired looks, Polo Sport brings an iconic, indomitable American spirit to footwear, eyewear and fragrance.

Chaps

Rooted in the rich heritage of Polo Ralph Lauren, Chaps translates the timeless style of Polo into an accessible line of sportswear for men. Poised to become a complete American lifestyle collection, Chaps will soon introduce lines for women, children and the home, providing an entire world of authentic style in the spirit of Ralph Lauren.

RLX

Created to answer the demands of dedicated athletes for superior high-performance outfitting, RLX provides gear that unites the highest standards of quality, design and technology. The result is a line of cutting edge athletic fashion with an unmistakable respect for functionality. Utilizing a network of alliances among the RLX design team, world-class athletes and makers of the most innovative fabrics available, RLX is helping athletes overcome the challenges encountered in disciplines as varied as wintersports, tennis, golf, sailing and cycling.

Polo Golf

Rooted in the design heritage of Ralph Lauren, Polo Golf and Ralph Lauren Golf feature luxury technical performance wear for men and women that travels effortlessly between the course and the clubhouse.

RRL

Embodying the cool rugged spirit of classic Western Americana, RRL is inspired by an authentic vintage sensibility, providing distinctive designs and a selection of true vintage pieces for men and women. From weathered blue jeans, distressed leather jackets and Western shirts to one-of-a-kind belts and cowboy boots, RRL evokes the bohemian freedom of the frontier borderlands — uniquely Ralph Lauren, distinctly American.

Rugby

Rooted in the preppy Ivy League sensibility at the heart of Ralph Lauren heritage, Rugby combines sporty prep-school looks with city savvy to create a youthful, energetic collection of sportswear. From edgy, rebellious, sport-inspired looks for men to sharp, sexy, urban campus styles for women, Rugby embraces a lasting sense of timeless individuality.

Polo Jeans Co.

From rugged to refined, the wide array of Polo Jeans Co.'s styles, fits and washes for men and women embody the trademark workmanship and authenticity of Ralph Lauren. Constructed to exacting fit specifications from the finest-grade denim, the sexy, cool, urban

styles of Polo Jeans Co. are augmented by a complete line of sportswear, outerwear and accessories.

Accessories

In addition to his apparel, fragrance and home designs, Ralph Lauren has created a wide array of accessories and furnishings that reflect his vision of timeless American elegance. Each women's line features handbags, scarves, belts, eyewear and jewelry that the stylish modern woman can wear and carry with distinction anywhere. Men's furnishings, including sunglasses, neckwear, leathergoods, cufflinks and formalwear accents, are similarly refined and luxurious.

Ralph Lauren Home

The first designer to create a collection for the home, Ralph Lauren Home provides a comprehensive lifestyle experience featuring complete, luxurious worlds. Whether inspired by timeless tradition or reflecting the utmost in modern sophistication, each of the collections — which include furniture, bedding, bath, fine china, crystal, silver, fabric, wallcovering, decorative accessories, paint and lighting — are distinguished by the enduring style and expert craftsmanship of Ralph Lauren.

Lauren Home

Created with the same expert workmanship and attention to detail of Ralph Lauren Home, Lauren Home offers complete collections of classic furniture, bedding, bath, tabletop, floorcovering, and decorative accessories for homes with a timeless, heritage aesthetic.

Ralph Lauren Paint

Ralph Lauren Paint offers a line of fine interior latex paint — the highest quality paint available on the market today — presented in coordinated lifestyle collections as well as innovative textures and finishes. Our paint collections set the industry standard for paint performance and color selection and are available in a full-color designer palette of more than 500 signature colors. And our Ralph Lauren Color Testers, now available for purchase at specialty paint stores and on RLHOME.Polo.Com, provide the perfect way to sample all of our Ralph Lauren Paints, which come in matte, eggshell, satin and semi-gloss sheens.

Introduced in 1996, Ralph Lauren Paint combines all the elements Ralph Lauren is known for — product innovation, color and an exciting marketing approach to home products.



III: FAIR EMPLOYMENT

FAIR EMPLOYMENT PRACTICE POLICY

Since people hold the key to achieving our business objectives, they constitute our most important asset. It is the policy of Polo Ralph Lauren to seek and employ the highest qualified people for all of our facilities and locations. Polo provides equal opportunities for employment and advancement of employees, including promotion and training. The Company manages these activities in a manner that does not discriminate against any person because of race, color, religion, sex, gender, sexual orientation, age, marital status, disability, ethnic or national origin, veteran status or any other characteristic protected by applicable law.

and social and recreational programs without regard to race, color, religion, sex, gender, sexual orientation, age, marital status, disability, ethnic or national origin, veteran status or any other characteristic protected by applicable law;

- Providing reasonable accommodations as needed to promote the full employment of individuals with disabilities, so that qualified individuals with a disability or handicap can participate in the employment application process as well as the Company's training and education courses and programs, and access the workplace;

The Company's efforts to provide equal employment opportunities include:

- Implementing and monitoring equal opportunity programs, reporting regularly on their status to the Senior Vice President of Human Resources;
- Recruiting, employing, training, and promoting persons for all job classifications without regard to race, color, religion, sex, gender, sexual orientation, age, marital status, disability, ethnic or national origin, veteran status or any other characteristic protected by applicable law;
- Basing employment decisions upon an individual's qualifications for the position being filled;
- Basing promotion decisions upon an individual's job performance, experience, abilities, skills and interests as related to the specific requirements of the position being filled;
- Administering a variety of personnel actions and programs such as compensation, benefits, transfers, recruitment, terminations, Company-sponsored training, educational tuition assistance,

- Communicating to all supervisors and managers that equal opportunity employment is an essential part of their responsibilities. Every member of our staff should understand that offering equal opportunity for all is not only a requirement of law, but also a goal that the Company wholeheartedly embraces;
- Creating a discrimination-free environment in which all employees can work without fear of intimidation or harassment because of their race, color, religion, sex, gender, sexual orientation, age, marital status, disability, ethnic or national origin, veteran status or any other characteristic protected by applicable law; and
- Addressing and resolving complaints quickly and fairly.

In keeping with the procedure set forth, the Company will handle accusations of discrimination or harassment appropriately. The Company established its Fair Employment Practice Department to ensure consistent and fair handling of all workplace issues, so that results and decisions do not vary from business unit to business unit and all associates are treated in a fair and non-discriminatory manner. The department has been charged to thoroughly investigate all allegations of discrimination and to sensitive nature of these allegations, all information regarding

specific occurrences will be kept on a legitimate, business, need-to-know basis. This measure extends to a point consistent with adequate investigations and appropriate corrective actions.

The Department has three core responsibilities:

1. *Compliance:* To ensure that all Company policies and/or local and federal workplace laws are upheld;
2. *Investigation:* To investigate all allegations of discrimination in the workplace;
3. *Equal Employment Opportunity (EEO) Training:*
To conduct appropriate levels of EEO training for every member of our team.

Any employee that wishes to speak with an Employee Relations Counselor may call toll free 1-866-FAIR-2-YOU (324-7296). Our full-time counselors will manage every call and investigate each concern. The creation of this department is important in the corporate history of the Company, demonstrating our continued commitment to all our employees.

EQUAL OPPORTUNITY

As part of a commitment to equal employment opportunity, the Company recruits, hires, trains, and promotes the most qualified individuals at every level of responsibility. Polo is also committed to hiring and promoting from a diverse assembly of talent, including women, minorities, qualified individuals with disabilities, disabled veterans, and veterans of the Vietnam era. Consistent with this policy, all other personnel matters, including, but not limited to, compensation and benefits, terminations, and recreational programs will adhere to these standards.

AMERICANS WITH DISABILITIES ACT

The Company is committed to complying with all applicable provisions of the Americans with Disabilities Act ("ADA"). It is the Company's policy not to discriminate against any qualified employee or applicant with regard to any terms or conditions of employment because of such functions of the job. Consistent with this policy of no discrimination, the Company will provide reasonable accommodations to a qualified individual with a disability, as defined by the ADA, that does not constitute an undue hardship on the Company.

Employees with a disability who believe they need a reasonable accommodation to perform the essential functions of their job should contact the Human Resources Department. The Company encourages individuals with disabilities to come forward and request a reasonable accommodation.

Procedure for Requesting an Accommodation

On receipt of an accommodation request, the General Manager and/or a supervisor will meet with the employee to discuss and identify the precise limitations resulting from the disability and the potential accommodation that the Company might make to help overcome those limitations.

The Company will determine the feasibility of the requested accommodation considering various factors, including, but not limited to, the nature and cost of the accommodation, the availability of tax credits and deductions, outside funding, the Company's overall financial resources and organization, as well as the accommodation's impact on the operation of the Company. This includes its impact on the ability of the other employees to perform their duties and on the Company's ability to conduct business.

The ADA does not require the Company to make the best possible accommodation, to reallocate essential job functions or to provide personal use items (i.e., eyeglasses, hearing aids, wheelchairs, etc.).

An employee or job applicant who has questions regarding this policy or believes that he or she has been discriminated against based on a disability should notify the Human Resources Department. All such inquiries or complaints will be treated as confidential to the extent permissible by law.

ANTI-HARASSMENT POLICY

Our Company's policy pledges to maintain a work environment free of unlawful discrimination for all associates. Any type of harassment, sexual or otherwise, violates this policy and remains unacceptable conduct. Please contact the Fair Employment Practice Department if you are subject to or witness conduct of this type.

What is Prohibited Harassment?

Sexual harassment constitutes discrimination and is illegal under federal, state, and local laws. For the purposes of this policy, sexual harassment is defined, in the Equal Employment Opportunity

Commission Guidelines, as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature. For example, when:

- Submission to such conduct is made either explicitly or implicitly during the term of an individual's employment;
- Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting the individual; and
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.

Sexual harassment may include a range of subtle and not so subtle behaviors that may involve individuals of the same or different gender. Depending on the circumstances, these behaviors may include, but are not limited to: unwanted sexual advances or requests for sexual favors; sexual jokes and innuendo; verbal abuse of a sexual nature; commentary about an individual's body, sexual prowess, or sexual deficiencies; leering, catcalls, or inappropriate touching; insulting or obscene comments or gestures; display or circulation in the workplace of sexually suggestive objects or pictures (including through email); and other physical, verbal, or visual conduct of a sexual nature.

Harassment based on any other protected characteristic is strictly prohibited. Under this policy, harassment constitutes verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of his/her race, color, religion, gender, national origin, age, disability, marital status, sexual orientation or that of his/her relatives, friends or associates, or any other characteristic protected by applicable law; and that (i) has the purpose or effect of creating an intimidating, hostile or offensive work environment; (ii) has the purpose or effect of unreasonably interfering with an individual's work performance; or (iii) otherwise adversely affects an individual's employment opportunities.

Harassing conduct includes, but is not limited to, epithets, slurs, or negative stereotypes; threats, intimidation, or hostile acts; and denigrating jokes. This includes the display or circulation, through email or otherwise, of written or graphic material that denigrates or shows hostility or aversion toward an individual or group.

Individuals and Conduct Covered

These policies apply to all applicants as well as employees, and prohibit harassment, discrimination, and retaliation, whether engaged in by fellow employees, a supervisor, or manager or someone not directly connected to the Company (e.g., an outside vendor, consultant or customer).

Conduct prohibited by these policies is unacceptable in the workplace. This includes any work-related setting outside the workplace, such as business trips, business meetings, and business-related social events.

Retaliation is Prohibited

The Company prohibits retaliation against any individual who reports harassment, discrimination or participates in an investigation of such reports. Reprisals against an individual for reporting harassment, discrimination, or for participating in an investigation of a claim of harassment or discrimination is a serious violation of this policy. And, like harassment or discrimination, retaliation will be subject to disciplinary action.

Reporting an Incident of Harassment, Discrimination or Retaliation

The Company strongly urges individuals to report every incident of harassment, discrimination or retaliation, regardless of the identity or position of the offender. Individuals who feel they have experienced conduct contrary to the Company's policy or who have concerns about such matters should file complaints with their immediate supervisor, their Human Resource representative, or the Fair Employment Practice Department. Any supervisor who becomes aware of or receives a complaint of harassment, discrimination or retaliation must immediately notify their Human Resources representative or the Fair Employment Practice Department about the complaint.

Individuals should not feel obligated to file complaints with their immediate supervisor before bringing the matter to the attention of one of the other designated Company representatives identified above. Prompt reporting and intervention prove to be the most effective method of resolving actual or perceived incidents of harassment. Therefore, while no fixed reporting period has been established, the Company strongly urges the prompt reporting of complaints. This response ensures rapid and constructive action.

The availability of these complaint procedures does not preclude individuals who believe they are being subjected to harassing conduct from promptly advising the offender to discontinue his/her unwelcome behavior.

The Investigation

Any reported allegations of harassment, discrimination, or retaliation will be investigated promptly. The investigation may include individual interviews with the parties involved. And, when necessary, the Company will interview individuals who observed the alleged conduct or have other relevant knowledge. All information will be kept on a legitimate, business, need-to-know basis throughout the investigation — privacy consistent with an adequate investigation and appropriate corrective action.

Responsive Action

Misconduct that constitutes harassment, discrimination, or retaliation will be dealt with appropriately. Responsive action may include, but is not limited to, training, referral to counseling, or disciplinary action such as warning, reprimand, reassignment, temporary suspension without pay, or dismissal, as the Company deems appropriate under the circumstances.

Important Notice to Employees

Employees who have experienced conduct they believe is contrary to this policy have an obligation to take advantage of this complaint procedure. An employee's failure to fulfill this obligation might affect his/her rights in pursuing legal action.

Individuals with questions or concerns about these policies should speak with the Senior Vice President of Human Resources or a member of the Human Resources Department. Finally, these policies should not, and may not, be used as a basis for excluding or separating individuals of a particular gender or any other protected characteristic from participating in business or work-related social activities or discussions in order to avoid allegations of harassment. The law and the policies of the Company prohibit disparate treatment on the basis of gender or any other protected characteristic, with regard to terms, conditions, privileges, and prerequisites of employment. The prohibitions against harassment, discrimination, and retaliation are intended to complement and further these policies, not to form the basis of an exception to them. Individuals with questions regarding this policy or the training the Company provides should contact the Human Resources Department or call 1-866-FAIR-2-YOU (324-7296).



IV: EMPLOYMENT PROCESS

INTERNAL TRANSFERS & PROMOTIONS

The Company is committed to attracting outstanding talent and developing them to their fullest potential. Our "promote from within" spirit offers a variety of career opportunities for achievement-oriented individuals. In order to keep employees current with available opportunities within the Company, "Job Postings" are displayed regularly on the Company's intranet web-site. In addition, employees may access this posting on the Company intranet. Interested employees should complete an internal application and contact their manager and/or Human Resources. Only employees in good standing are eligible for a transfer or promotion.

Polo Ralph Lauren ensures equal opportunity without regard to an employee's race, color, religion, sex, gender, sexual orientation, age, marital status, disability, ethnic or national origin, veteran status or any other characteristic protected by applicable law, so long as the essential functions of the job can be performed with reasonable accommodation. Please refer to our Fair Employment Practice Policy for further details.

EMPLOYMENT REFERENCES

Our Company policy maintains that requests for employment references will be limited to confirmation of a former employee's

dates of employment, job title, salary, and department. No other information will be provided unless the Company is required by law to furnish it or the employee authorizes the Company to present this information and releases the Company from any liability for furnishing the information.

The Human Resources Department is responsible for responding to every reference request regarding former employees of the Company. If an employee receives any such requests, he/she should refer it promptly to a representative of the Human Resources Department.

PERFORMANCE MANAGEMENT

The Performance Management Review Process is an objective method of discussing an employee's goals and results over a given period of time. Polo reviews its employees on an annual basis. However, the Company always encourages frequent discussions between supervisors and employees, with both parties actively participating. The goal is to enable each employee to excel in the workplace, contributing to the best of his/her ability, in a way that benefits the personal career growth and development of the employee as well as the performance of the Company.



V: MISCELLANEOUS POLICIES

PRIVACY/COMPANY PROPERTY AND PREMISES

Except as the law may otherwise provide, employees do not have a right to privacy while working on the Company's premises. Additionally, the Company reserves the right to monitor an employee's work or work product as well as all means of communication – internal or external, including telephonic, voice mail, intra-Company paper mail, and mail processing through the Company's facilities and electronic systems, including the Internet and electronic transmissions, unless applicable law requires otherwise.

The Company reserves the right to inspect and search employees and their belongings that have been brought onto its property. It can remove or recover, without notice, any of its property, intellectual or real, including all documents and devices in which it holds a proprietary copyright, trade secret, or confidential commercial interest. This covers any intellectual or real property which has been provided to or for employees, or was created or developed by employees during their employment, including the contents of electronic messaging systems and voice mail messages.

For this purpose, "Company property" means all property that is owned, leased, rented, or has been otherwise paid for or furnished by the Company. Examples are:

- Lockers, storage areas, offices and office contents, such as desks, files (electronic and paper), credenzas and other furniture;
- Computers, computer hardware and software, the contents of electronic storage, and memory devices and devices themselves;
- Books, manuals, procedures, standards or guides and other documents relating to the Company, its clients and employees, or the manner in which it conducts its business;

- Automobiles owned or leased by the Company; and
- The spaces, places, or things used to transact or conduct business or business-related activities, such as meetings or entertaining, or any other facilities including halls, dining rooms, planes, as well as training and educational venues.

OUTSIDE EMPLOYMENT

While working with us, employees of our Company, as well as our subsidiaries and affiliates, who seek outside employment must receive written approval from Human Resources before engaging in any outside employment. Even after receiving such written approval, the Company reserves the right to request that an employee give up or forego such employment. This includes, but is not limited to, work that the Company deems will interfere with the proper completion and performance of an employee's job requirements, including overtime assignments, work that will conflict with or compete with the Company's interests, or work that will violate Company policies. This also includes work by employees for other designers or for their own labels and work for organizations that are doing or seeking to do business with the Company, including actual or potential vendors or customers.

Failure to comply with this policy, or disclose applications for outside employment, may result in discipline, up to and including immediate dismissal.

PROFESSIONAL WORK ENVIRONMENT

Polo Ralph Lauren is committed to providing a professional work environment in which all individuals treat each other with respect and dignity. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits discriminatory practices, including harassment. Therefore, the Company expects that all relationships among persons in the workplace will be businesslike and free of bias.

FRATERNIZATION

Polo recognizes and respects the rights of employees to associate freely and pursue personal relationships with those they encounter in the work environment. However, employees must use good judgment to ensure that those relationships do not compromise their job performance or their ability to supervise others. It is considered unprofessional if the conduct arising from a friendship, romantic or otherwise intimate relationship between employees in the same work location, creates an uncomfortable work environment or has an adverse impact on others. This includes, but is not limited to, favoritism, open displays of affection, or making business decisions based on emotions or friendships rather than on the best interest of the Company. Employees who find themselves in an intimate relationship or friendship should use tact, good judgment, and sensitivity.

Employees in a reporting relationship with someone they are consensually dating or married to or with whom they are romantically involved must inform the next level of management and/or Human Resources. In order to protect the interests of both employees and avoid any conflict of interest, the Company will work with both individuals to ensure that their employment responsibilities remain separate from their personal relationship. The Company may determine that, in order to avoid an actual or perceived conflict of interest, it is necessary to transfer one of the individuals, or have one of them resign.

EMPLOYEE RELATIVES/DOMESTIC PARTNERS

Although Polo allows relatives/domestic partners to work within the Company, relatives/domestic partners are not permitted to supervise or report to each other, or to have a reporting or working relationship that impacts negatively on the operation of the business. Employees in a reporting/working relationship with someone they are related to, or a domestic partner of, must inform Human Resources. In order to protect the interests of both employees and avoid any conflict of interest, the Company will work with both individuals to ensure that their employment responsibilities remain separate from their personal relationship. The Company may determine that, in order to avoid an actual or perceived conflict of interest, it is necessary to transfer one of the individuals, or have one of them resign.

SAFETY IN THE WORKPLACE

The Company strongly believes that all employees should be treated with dignity and respect and is committed to a workplace that is comfortable, safe, and productive. Accordingly, while on

Company premises, at Company-sanctioned activities, or during the performance of Company-related activities outside Company premises, employees are expected to conduct themselves in a manner that will not endanger them, other employees, or visitors. Work areas should be kept free of all obstructions that may cause injury to employees or other visitors on the premises.

Further, the Company prohibits violence or threats of violence in the workplace. This prohibition includes, but is not limited to: intimidation; physical aggression (striking, slapping, shoving, throwing objects); threatening language, such as shouting and cursing (whether verbal, written or electronic); threatening gestures; and/or actual physical fighting by any employee. Personal firearms, knives, dangerous chemicals and/or weapons of any kind are prohibited in the workplace, in Company vehicles, at Company-sanctioned activities, or in an employee's possession while on Company property (including parking facilities regularly used by Company employees) or while performing Company-related activities outside the workplace. As applied to Company property and activities, this policy supersedes any state law provisions authorizing the carrying of concealed weapons.

Any instances of violence must be reported to the employee's supervisor and/or the Human Resources Department. All complaints will be fully investigated and the Company will promptly respond to any incident or suggestion of violence. Any violation of this policy will result in disciplinary action, up to and including discharge.

PARTNER VIOLENCE AND THE WORKPLACE

The Company recognizes the impact of partner violence on the workplace. Partner violence is defined by the Company as abusive behavior occurring between two people in an intimate relationship. It may include physical violence, sexual, emotional, and psychological intimidation, verbal abuse, stalking, and economic control.

The Company is committed to heightening awareness of partner violence and providing guidance for employees and management to address the occurrence of partner violence and its effects on the workplace.

The Company intends to make assistance available to employees involved in partner violence. This assistance may include: confidential means for coming forward for help, resource and

referral information, special considerations at the workplace for employee safety, work schedule adjustments, or leave necessary to obtain medical, counseling, or legal assistance, and workplace relocation (if available). In responding to partner violence, the Company will maintain appropriate confidentiality and respect for the rights of the employee involved.

The Company will not deny job benefits or other programs to employees based solely on partner violence related problems. When employees confide that a job performance or conduct problem is related to partner violence, in addition to appropriate corrective or disciplinary action consistent with Company policy and procedure, a referral for appropriate assistance should be made to the employee.

The Company will not discriminate against a victim of partner violence in hiring, staffing, or other terms, conditions, or privileges of employment.

The Company will not take any actions against an employee who is a victim of partner violence based on the actions of a person who has perpetrated violent acts or threats of violence against the employee, even if such actions disrupt the workplace. The Company may take actions, including the filing of a criminal complaint or initiation of a civil action, directly against the perpetrator whose violence affects an employee if the perpetrator's actions disrupt the workplace. Prior to taking any actions against such a perpetrator, the Company will consult with the employee to determine whether the action would be likely to put the employee's safety at risk and the Company will make reasonable efforts to address these concerns.

If an employee reports that she or he is a victim of partner violence, requests a reasonable accommodation because of such violence, or seeks a benefits or payroll change related to such violence, the Company will, to the extent allowed by law, take reasonable steps to respect the confidentiality and autonomy of the reporting employee, informing other employees or other persons on a need-to-know basis only, and only to the extent reasonably necessary to protect the safety of the employee or others and to comply with the law. Wherever practicable, advance notice will be given to the reporting employee if the Company needs to inform others about the situation or if the Company receives a subpoena ordering the disclosure of such information.

Leave Options for Employees Experiencing Threats of Violence

The Company will make every effort to assist an employee experiencing threats of violence. If an employee needs to be absent from work due to threats of violence, the length of the absence will be determined by the individual's situation through collaboration with the employee, his/her manager and the Human Resources Department.

Protective or Restraining Orders

All individuals who apply for and obtain a protective or restraining order which lists Company locations as being protected areas must provide a copy of the petition and order to their Human Resources representative.

Employees Who Commit Acts or Threats of Partner Violence, Sex Offenses or Stalking

Any employee who threatens, harasses or abuses a family, household member, or intimate partner, or who threatens or conducts activity that constitutes a sex offense or stalking, at, or from, the workplace may be subject to disciplinary action, up to and including dismissal. This includes employees who use workplace resources such as phones, fax machines, email, mail or other means to threaten, harass or abuse a family or household member.

Some job positions may give an employee access to certain types of information or resources. If he or she uses this access to enable an abuser to harm the victim, that employee may be subject to disciplinary action, up to and including termination of employment.

Complaints Related to Violation of This Policy

The Company encourages individuals who believe that a violation of this policy may have occurred to report the circumstances to the Fair Employment Practice Department (1-866-FAIR-2-YOU) or the Human Resources Department. We encourage prompt reporting of complaints so that rapid and appropriate action may be taken.

The Company will not retaliate in any way against an individual who makes a report alleging a violation of this policy, nor will the Company permit any supervisor or other employee to do so. Retaliation is a serious violation of this policy and anyone who feels subject to any acts of retaliation should immediately report

such conduct to the Fair Employment Practice Department (1-866-FAIR-2-YOU) or the Human Resources Department.

Any allegation of a violation of this policy will be promptly investigated. Reports will be kept confidential to the extent practical and appropriate under the circumstances. The Company, however, has an obligation to act on all information it receives if it believes an individual may be engaging in wrongful conduct or violation of the law. Our immediate goal is to take prompt remedial action to stop inappropriate or unlawful conduct. Our second goal is to assure violations do not recur. Even where a violation is not found, it may be appropriate to counsel individuals regarding their behavior.

DRUG/ALCOHOL USE

The Company is committed to protecting the health and safety of its employees by providing a work environment free of substance abuse. Polo is committed to preserving its high performance standards, principles that substance abuse inevitably compromises. Accordingly, the following activities are prohibited for all employees:

1. The consumption of alcohol on the Company's premises, whether or not it takes place during regular business hours. This does not apply to moderate and appropriate use during Company-sponsored or catered functions, events, or meals. Employees should abstain from the consumption of alcohol while on business, or drink only in moderation during appropriate circumstances. Under no circumstances are minors or anyone else prohibited by applicable law permitted to consume alcohol at any time on Company premises or at Company events.
2. Consumption of alcohol away from the Company's premises in a manner that interferes with an employee's job performance. This means employees must avoid the following:
 - Becoming unfit to perform assigned job duties;
 - Creating potential safety risks to themselves, our clients, co-workers, the general public, and Company property; and
 - Engaging in behavior that subjects the Company to public ridicule or embarrassment, or that is detrimental or damaging to the Company's reputation, goodwill, or relationships with its customers, vendors or employees.

In addition, unless applicable law requires otherwise, the Company may prohibit or limit the consumption of alcohol by employees at all times at restaurants and cafes owned or licensed by the Company.

The use of controlled substances is contrary to the behavior Polo expects from employees. Our Company maintains that this behavior subjects all employees and visitors to our facilities to unacceptable safety risks, and undermines the Company's ability to operate effectively and efficiently. In view of this, the Company strictly prohibits the unlawful manufacture, distribution, dispensation, possession, sale, or use of a controlled substance in the workplace. This extends to employees engaged in Company business off the Company's premises. Furthermore, the Company prohibits such conduct during non-working hours; it is the Company's conclusion that this behavior impairs an employee's ability to perform on the job and compromises the reputation and integrity of the Company. At its discretion, the Company may require employees who violate this policy to successfully complete a drug or alcohol abuse assistance or rehabilitation program as a condition of continued employment. Violations of this policy will subject employees to disciplinary action, and may include dismissal.

SMOKING

Our policy prohibits smoking inside any Company stores. Subject to manager approval, employees may be permitted to smoke outside the store, but only during scheduled breaks and only in designated areas. Smoking in front of stores is prohibited. Employees concerned about this policy should contact the Human Resources Department. Our staff will investigate the situation and resolve such matters with the management of the department. While resolving disputes surrounding this policy, the health concerns of the employee who desires a smoke-free work area will be accorded priority.

MEAL PERIODS AND BREAKS

Polo provides its employees with breaks and meal periods in accordance with local laws. It is the manager's responsibility to ensure that the appropriate breaks are taken.

- Meals are unpaid — employees must clock out
- Breaks are paid — employees do not clock in or out
- Combining meal time and break time is not allowed.

- Taking the break at the end of the shift in order to leave early is not allowed.
- Efforts are made to schedule breaks two hours into the shift and/or as close to the middle of the shift as possible; however, the needs of the business may require adjustment.

Break periods are on Company time; therefore, employees are expected to remain on Company premises. Break periods are to be spent in designated areas (lunchrooms) so other employees will not be disturbed.

The following chart sets forth general guidelines for meal and break periods. Specific states may have different requirements that differ from the following guidelines.

Sample Break Chart — Non-Minors (18 years and older)

Hours Scheduled	Meal	Break	Hours Worked
3.5	none	none ⁴	3.5
4.0	none	15 min.	4.0
4.5	none	15 min.	4.5
5.0	none	15 min.	5.0
5.5	30 min.	15 min. ^{1,2}	5.0
6.0	30 min.	15 min.	5.5
6.5	30 min.	15 min. ²	6.0
7.0	30 min.	15 min. ²	6.5
7.5	30 min.	15 min. ²	7.0
8.0	60 min.	15 min., 15 min.	7.0
8.5	60 min.	15 min., 15 min.	7.5
9.0	60 min.	15 min., 15 min.	8.0
9.5	60 min.	15 min., 15 min.	8.5
10.0	60 min.	15 min., 15 min., 15 min.	9.0
10.5	60 min.	15 min., 15 min., 15 min.	9.5
11.0	60 min.	15 min., 15 min., 15 min.	10.0
11.5	60 min.	15 min., 15 min., 15 min.	10.5
12.0	60 min.	15 min., 15 min., 15 min.	11.0

¹ Employees in CA, CO and NH must receive a 30 min. unpaid meal and a 15 min. paid break. Employees in CA who work more than 5 hours are required to begin their meal period before completing the fifth hour of work.

² NY only: Employees scheduled more than 5.5 hours, but less than 8.0 hours must receive a 45 min. unpaid meal and a 15 min. paid break. CA: Employees who work more than 6 hours are entitled to a second 15 min. break.

³ PR only: Employees must receive a 60 min. unpaid meal for every 5.0 hours worked (not scheduled). Two 60 min. unpaid meals are required when 10.0 or more hours are worked.

⁴ Employees in CA who work more than 2 hours are entitled to a 15 min. paid break.

WORK HOURS AND SCHEDULES

Store hours and employee work schedules vary by location. Each employee is scheduled for specific days of the week and for specific hours each day. Work schedules are determined by the managers and must be flexible to ensure adequate floor coverage and provide maximum customer service at all times. It is essential that employees adhere to the posted schedule. Changes to an employee's schedule can be made only with written approval of a manager. Work schedules are normally posted at least one week in advance.

All employees are required to punch into the POS system prior to commencing work and punch out prior to exiting the store. Employees are not permitted to punch another employee's time into the POS system. Employees who violate this policy may be subject to disciplinary action, up to and including termination of employment.

Sometimes business requires last-minute schedule revisions, which are announced at least 24 hours in advance whenever possible. Questions about specific guidelines regarding schedule postings and requesting time off should be directed to a manager.

ATTENDANCE AND TARDINESS

It is the employee's responsibility to notify a manager of an absence or lateness no later than two hours before the start of his/her shift, or as soon as possible thereafter. It is the responsibility of the employee to notify the manager each workday of absence.

Medical-Related/Other Unscheduled Absences

Absences due to illness will be excused up to six occurrences in a fiscal year (April – March). Any absences beyond an employee's sick/personal allotment (see policy on Personal/Sick Days for details) would be considered unexcused and excessive, for reasons other than those provided by any leave. Unexcused absences may be subject to disciplinary action, up to and including discharge.

Managers are responsible for completing the employee's attendance tracking calendar.

If an employee is absent without notifying the supervisor, he/she may be subject to disciplinary action, up to and including discharge. If an employee is absent from two consecutive shifts without having contacted a manager, he/she will be considered to have voluntarily ended his/her employment on job abandonment grounds on the second day of absence.

Tardiness

Tardiness is defined as:

- Reporting to work after the scheduled start time;
- Leaving work before completing the full work schedule; and
- Leaving early for or returning late from scheduled break and meal periods.

A record of excessive tardiness will result in corrective action, up to and including dismissal.

REPORT-IN PAY

If an employee is non-exempt and is asked to report to work on any day (including weekends and holidays), and the associate does so at the requested time, but no work is available, then the employee must receive report-in pay according to applicable state laws. If there is no specific state law, then the employee is paid for the actual hours worked. This includes instances of inclement weather, when the store is instructed to close as well as instances when the employee reports to work and the store is already closed. Managers can inform an employee as to whether this policy applies in their state.

<i>State</i>	<i>Report-in Pay Requirement</i>
CA	Employees who are asked to report in, but are not kept for at least half of their scheduled shift must receive report-in pay for half the scheduled shift or two hours, whichever is greater.
CT	Four hour minimum pay unless scheduled hours are less than four hours, then two hours pay.
DC	Four-hour minimum pay unless hours scheduled are less than four hours, then pay for scheduled hours.
MA	Three hours minimum pay.
NH	Two hours minimum pay.
NY	Four hours or number of hours scheduled in shift, whichever is less.
NJ	One-hour minimum pay.
RI	Three hours minimum pay.

INCLEMENT WEATHER

Our retail stores make every effort to remain open regardless of the weather conditions. Each store will review each extreme

weather situation as it occurs. A manager will inform his/her employees regarding possible delays or closings.

In the event of a store closing due to inclement weather, exempt employees who were scheduled to work that day will not be charged a personal day for that time off.

PRESS INQUIRIES

Polo realizes that employees would never speak to the press with anything but the best intentions; however, a casual comment or answer to a harmless question may violate guidelines. Employees are not allowed to discuss any Company-related information with the media unless specifically authorized by the Company. This type of information would include, but is not limited to, any information relating to the Company's sales, products, employees, finances, or other information not generally known to the public. If contacted by a member of the press, including any author or writer, an employee must refer the individual to the Corporate Public Relations Department at (212) 813-7862.

INFORMATION REQUESTS

All information requests or any notices received from government agencies or legal counsel should be directed to the Vice President-Labor Counsel at 650 Madison Ave., New York, NY 10022, (212) 318-7000. Under no circumstances should an employee attempt to respond without prior approval.

NON-SOLICITATION POLICY

The Company prohibits solicitations by employees for any cause or organization during working time and during the working time of the solicited associate. We also prohibit the distribution of literature on Company property by employees during their working time (including paid breaks) and at any time in working areas of the facility. Further, we prohibit persons not employed by Polo from soliciting for any cause or distributing literature anywhere on Company property. Management reserves the right of approval for any type of solicitation or distribution.

Working time is defined as those periods designated for the performance of assigned job tasks by the person soliciting or distributing or the person solicited or given material. Non-working time represents those periods when the person is not expected to be engaged in job duties, such as non-paid break time, meal time or before and after shifts.

TRAVEL AND ENTERTAINMENT POLICY

Employees who engage in business-related travel or incur business-related expenses are expected to follow the guidelines of the Global Travel & Entertainment Policy, a copy of which is available from the Travel Department or the Human Resources Department and posted on the retail website. Failure to follow the Company's guidelines may subject the employee to discipline, up to and including termination.

MAKE A DIFFERENCE PROGRAM

The "Make a Difference" program allows employees to contribute to the safety of our stores/offices and the protection of our assets. The program design allows an employee to anonymously report information regarding theft, drug use, or other improper activity in our stores/offices. This confidential contact can be made by telephone — at any time, from any place by calling (800) 338-2327. Employees that provide information that lead to the termination of an employee or manager for dishonesty or related matters may be eligible for an award of up to ten percent (10%) of the value record, subject to a minimum award of \$500 and a maximum award of \$1,000.

PERSONAL TELEPHONE CALLS

Telephones are available on the sales floor for business use only. The Company recognizes that employees will occasionally need to place and receive personal phone calls during the workday. However, personal phone calls should be made off the sales floor and are to be kept to a minimum, whether the calls are placed or received on Company phones or on personal

phones. If an employee's personal calls hinder his/her own work performance or are disruptive to others, the employee will be subject to disciplinary action, up to and including termination.

STAY INFORMED

All backroom areas have bulletin boards that disseminate corporate policy statements, announcements, notices of employee activities, and other important news. The bulletin board is one of the fastest ways of getting such information to employees accurately and promptly. Employees should not depend on the "grapevine" for information about the Company. The "grapevine" can be misinformed. Employees should check the bulletin board every day and not hesitate to ask a manager to clarify any subject that is unclear.

Any employee that wishes to post notices must first receive approval from the General Manager.

ATTEND MEETINGS

The Company often conducts meetings with employees to make sure employees are aware of what is going on in the Company. This is an effort to inform employees of changes, new methods, and company progress. Managers will inform employees of meeting dates and times. These meetings are intended also as an opportunity for employees to share ideas, suggestions, and recent experiences that may be helpful to the store with their manager and fellow associates. These meetings are mandatory and extremely important, and employees should participate in them when they occur.

DRESS, PRESENTATION & GROOMING STANDARDS POLICY FOR PRC EMPLOYEES

All retail associates and corporate employees traveling to our stores on business are expected to adhere to the following Dress, Presentation & Grooming Standards Policy that is designed to ensure professional and proper work attire at all times. Employees are not required under any circumstances to wear or purchase Polo Ralph Lauren clothing or accessories. Employees are encouraged to consult with their managers or Human Resources for guidance regarding professional and proper work attire in their location.

Why is the Dress, Presentation & Grooming Standards Policy Important?

- These standards help create a professional work environment for all retail store employees or corporate employees visiting stores.
- They inform associates that they are not required to purchase or wear Polo Ralph Lauren clothing or accessories.
- They indicate that associates are representatives of the Company.
- They ensure that Associates properly represent Ralph Lauren and the product to customers.
- They facilitate the selling of Ralph Lauren product.

What is Management's Responsibility?

To consistently do the following:

- Enthusiastically enforce the Polo Ralph Lauren Dress, Presentation & Grooming Standards Policy.
- Demonstrate effective ways to adhere to these standards.
- Provide guidance and ensure that associates understand the policy and that they are not required to purchase or wear Polo Ralph Lauren clothing or accessories.
- Set the standard by determining the appropriateness of dress

choices, and to request changes when necessary (this may include requesting an associate to return home to dress more appropriately for work).

- Determine the appropriateness of fit (e.g., too baggy, too tight, short, long, or revealing).

How Can I Make the Dress, Presentation & Grooming Standards Policy Work for Me?

- Combine seasonal Ralph Lauren or clothing consistent with the Ralph Lauren aesthetic in fabric, color, fit and style within the given season to update and change looks.
- Share success stories regarding the facilitation of sales by wearing either Ralph Lauren or Ralph Lauren like items to inspire our customers to purchase Ralph Lauren merchandise.
- Take advantage of the generous discount benefits and dress rewards reserved for store associates.
- Take advantage of the Special Purchase Program.

- If sizes and fit are not available in our Ralph Lauren stores you may order personals through the Company for the various product or product lines which are consistent with the dress standards in your location as noted above.

Employees with questions regarding Polo's Dress, Presentation & Grooming Standards Policy should speak with their manager, GM, Regional Director or Human Resources.

Employees who have special needs due to their religion, disability or other reasons should contact Human Resources.

*** Management reserves the right to determine what is consistent with the Ralph Lauren aesthetic and location appropriate as well as to update accordingly with each given season.*

Dress

- Employees are encouraged to wear Ralph Lauren clothing or accessories.
- All items should be seasonally appropriate and consistent with current product.
- Employees are required to wear work attire that is:
 - Consistent with the Ralph Lauren aesthetic in fabric, color, fit and style within the given season.
 - Professional and appropriate to the aesthetic of the store concept. When traveling to other store locations, please dress appropriately to that store concept.
 - ~~Seasonally appropriate and coordinating well with current clothing season being sold in the store.~~
 - Without visible logos or markings of another brand.
 - Employees are encouraged to combine seasonal Ralph Lauren clothing or accessories with your own products to update and change looks.

Presentation

- All clothing must be appropriate in size and fit.
- All clothing must be neat, clean, pressed, and in good condition.
- Footwear needs to be seasonally and location appropriate, consistent with the Ralph Lauren aesthetic and should always be polished and clean.
- Pagers, mobile phones and PDAs are not permitted to be visible or used on the sales floor.
- Facial jewelry (including tongue and body piercing) are not acceptable.
- Eyeglasses should be without visible logos and should be consistent with the Ralph Lauren aesthetic as well as simple and classic in style.
- Visible tattoos are generally not acceptable; however, small tattoos may be acceptable if they are inoffensive in nature and location appropriate.
- All jewelry is to be consistent with the Ralph Lauren aesthetic in color and style and the given season.
- Rings are limited to two fingers per hand. Toe rings are not permitted.
- Hair accessories must be simple and understated. Oversized fabric hair bands and clips are not permitted.
- Earrings are limited to one per ear for women. Earrings are not permitted on men.
- Gum chewing is not permitted on the sales floor.

Grooming

- Employees must maintain good personal and oral hygiene and neat grooming standards.
- Hair is to be clean, neat and professional. Men's hair length should not be longer than shoulder length unless pulled back neatly.
- Perfume and colognes are only to be applied sparingly and must be subtle.
- If hair is dyed, bleached or tinted, the color must be a natural hair color and must be maintained. Partially shaved head or shaved designs are not permitted.
- Nails must be clean and neatly manicured (hands and feet if toes are visible). Nail length should be trimmed, ~~kept short and not interfere with job performance.~~ No multi-color or nail art is permitted on hands or feet. Although nail polish is permitted, it must be neutral in tones only.
- Make up must be professional and natural in appearance. Lip gloss or lipstick should be in natural shades which suit the employee.
- It is preferred that employees are clean shaven. If you choose to have facial hair, it must be fully grown in, closely trimmed, appearing neat and professional at all times. Goatees and facial hair designs are not acceptable.
- The length of side burns should be no longer than the earlobe.

EMPLOYEE DRESS STANDARDS FOR FSC EMPLOYEES

Standards of dress, grooming, and personal cleanliness contribute to the morale of all employees and affect the image our Company presents to our customers. Employee's attire should reflect the merchandise we sell. Employees are not required, however, under any circumstances to wear or purchase Polo Ralph Lauren clothing or accessories. These standards have been established to ensure that all employees present a professional appearance to our customers.

Employees must dress in accordance with these standards. Any employee who does not meet these standards may be asked to correct his/her appearance and, further, may be subject to disciplinary action up to and including discharge. This policy is not intended to interfere with an employee's religious beliefs or with any medical condition that may require special clothing or may prevent compliance with these standards. Any employee who needs an accommodation based on religious or medical reasons should contact Human Resources.

General Dress Standards

All employees are required to wear chinos in basic or seasonally-appropriate colors. From October 1 through March 1, employees, other than those on the stock team, should wear oxford (rather than knit) shirts. From March 1 through September 30, such employees should wear short-sleeved knit shirts with collars.

Employees hired specifically as stock associates may wear a knit top year-round.

Appearance

- Current employee badge and lanyard must be worn at all times
- Good personal hygiene and neat grooming are essential
- Hair is to be natural and professional; dyed hair color should be a natural shade
- Pagers and cell phones are not permitted on the selling floor or in the stock room
- Finger nail polish is to be subtle and classic; multi-color nail policy or nail art are not permitted. French manicures are acceptable and red is considered a classic color

- Nails should be kept reasonably short
- Eating, drinking or gum chewing are not permitted in the stock room or on the selling floor

Non Business Hours

- All employees are expected to follow our dress standards any-time they are working, regardless of the time of day or task being accomplished and regardless if the employee originally was scheduled to have the day off

- Shirts must remain tucked in before store opening and after store closing.

Clothing

- All tops and bottoms must be appropriate in size and fit
- Clothing must be neat, clean, pressed, and in good condition
- If chinos have belt loops, a belt appropriate to the outfit must be worn

- Tops must be tucked into bottoms at all times.

- A member of management may determine the appropriateness of how clothing fits (e.g. too tight, baggy, short, long, or revealing)

- Men must wear a white or light colored solid crew neck T-shirt under their top

- White tank tops and white turtlenecks are not acceptable under any top

- Appropriate undergarments must be worn

- No visible competitor logos are permitted on any clothing or accessory.

Knit Shirts

- Knits can be any color that is basic or seasonally appropriate; marked-down styles and colors are not appropriate
- Solid color mesh knits can be worn; interlock or stripe knits are not acceptable

- Women's classic or skinny fit knits can be worn, provided they are tucked into chinos.

Oxford Shirts

- Oxford shirts can be any color that is basic or seasonally appropriate; marked-down styles and colors are not appropriate
- Solid color and basic striped shirts are acceptable; gingham and any patterned shirts are not
- Shirts must be buttoned at all times; they may not be knotted or tied at the waist
- Sleeves may be rolled up a maximum of two times.

Chinos

- Chinos may be any basic or seasonally appropriate color, however marked down styles and colors are not appropriate.
- Only plain or pleated-front styles are acceptable; carpenter or 5-pocket styles are not acceptable

- Women may wear chino skirts only if necessary for religious or medical reasons; any such skirts must be of a solid color that is basic or seasonally appropriate.
- Women may also wear the Brooke Capri, but only during the spring/summer months. No other capri-style slacks are permitted at any time.

Cardigans/Sweaters

- A solid color button down cardigan may be worn over a top
- Cardigans must be a classic design free of embellishment, and in basic or seasonally appropriate colors and fabrics.

- Employees may wear sweaters over their shoulders or tied around their waists as long as the look is classic, neat and professional.

Accessories

- Jewelry is to be conservative and simple
- Earrings are limited to one per ear for women
- Earrings are not permitted for men
- Facial jewelry (including tongue piercing) is not acceptable
- Visible tattoos must be covered, unless approved by corporate Human Resources

Footwear

- Shoes must be professional and appropriate to your outfit
- Shoes should always be polished and in good condition.
- Sneakers are permitted if they are a simple canvas style in white, navy, or black
- Athletic style sneakers with any visible competitor's logos are not acceptable
- For safety reasons, open toe sandals or flip flops are not acceptable on either the selling floor or stock room
- Employees are not required under any circumstances to wear or purchase Polo Ralph Lauren clothing or accessories. If there are any questions about any of the above standards, employees should contact Human Resources. **

PRC SPECIAL PURCHASE PROGRAM

The Special Purchase Program provides retail employees with a method to purchase an on-the-job wardrobe at a 65% discount, without having to immediately expend the entire dollar amount. This is viewed as an advance (taken in clothing) to be repaid by means of a payroll deduction. Note that employees are not required under any circumstances to wear or purchase Polo Ralph Lauren clothing or accessories, and thus may choose not to use this program.

The account established is a Special Purchase Account, and may not be used in the same manner as a regular charge account. Contact the Credit Department if you wish to apply for a regular charge account.

Please note the following may not be placed on a Special Purchase Account:

- Gifts;
- Home Collection items; or
- Spouse or Dependent purchases.

It is important for employees to understand that the Company has established the Special Purchase Program to facilitate employee purchasing of on-the-job wardrobe items.

Amount Advanced

The amount advanced is normally two weeks' earnings or draw, repaid in thirteen equal payments, deducted from each paycheck. Once a dollar amount has been established, it cannot be altered. Employees are responsible for ensuring they do not go over their allotted amount. The following illustrates how the system works:

1. An employee elects to purchase \$600 of clothing (cost after discount). The Company deducts \$100 per month for six months.
2. An employee joins the Company in October and wants to enroll in the program with a \$600 purchase. As Period II ends on January 31, there are only four months remaining in the program. Therefore, the deduction is \$150 per month for four months.

Enrollment

All regular employees working at least 20 hours per week are eligible to participate in the Special Purchase Program. There are two periods during the corporate year in which the Special

Purchase Program is offered.

1. Period I (Spring/Summer) – February 1 to July 31 (SPUR1 on paychecks).
2. Period II (Fall/Cruise) – August 1 to January 31 (SPUR2 on paychecks).

These dates are subject to change. Employees should contact their supervisor for applicable enrollment forms and more specific information about the program.

Employees will be required to repay any outstanding balance in their account once their employment with the Company ends. In accordance with applicable law, such amounts will be deducted from an employee's final paycheck.

FSC PURCHASE CARDS

To assist employees in acquiring items to wear at work, a special purchase program has been developed for all FSC store employees. Note that employees are not required under any circumstances to wear or purchase Polo Ralph Lauren clothing or accessories, and thus may choose not to use this program.

- Every store employee will receive two discount cards, one for chinos and oxfords and one for seasonal knits.
- The card will describe the current program and will contain all relevant employee information, including his/her name and the number of items purchased.
- Additional items beyond the allowed amount may be purchased using the regular employee discount.
- The card is valid for six months from the date of issue and items may be purchased over the six-month period. It is not necessary to purchase more than one item at a time. Managers will issue new cards upon expiration if an employee requests one.
- Clothing may be purchased for the employee named on the purchase card only.

EMPLOYEE CONDUCT AND RESPONSIBILITIES

Most rules of conduct are a matter of practical common sense and

consideration for fellow workers and customers. In general, all employees are required to conduct themselves in a manner which will not embarrass, endanger or violate the rights of any other individual. Certain types of unacceptable behavior warrant specific mention:

1. Unauthorized entrance into Company building.
2. Dishonest conduct including:
 - Unauthorized removal or tampering with Company merchandise or property.
 - Unauthorized removal of the personal property of other employees.
 - Lying or falsification in any manner related to employment.
3. Any involvement in the tampering with, falsification or the altering of any timekeeping record, including clocking in/out for another associate, allowing someone else to clock in/out on one's behalf, or failing to clock in/out at all.
4. Violation of Employee Discount Policy.
5. Defacing Company property, including removal of Company notices or other written matter. Destruction of property belonging to either the Company or another employee.
6. Failure to notify a manager in advance of tardiness or absence from work.
7. Threatening, intimidating, coercing or interfering with fellow employees while on Company property.
8. Deliberately restricting or interfering with the work or the productivity of other employees.
9. Insubordinate behavior; failure to follow Manager's directions or instructions.
10. Failure to follow proper safety, health, and fire regulations.
11. Possession or use of alcoholic beverages or illegal drugs
12. Failure to report personal injuries that occur while working.
13. Operation of machinery or other equipment without proper authorization.
14. Stopping work before the end of scheduled work hours without permission from Management.
15. Leaving an assigned area/job without notifying a Manager and ensuring proper coverage of the area; not using the designated employee entrance to enter/exit the store.
16. Creating or contributing to unsafe or unsanitary conditions and/or poor housekeeping.
17. Endangering the safety of others.
18. Failure to abide by Company/shopping center parking regulations (if applicable).
19. Gambling on Company property.
20. Horseplay or fighting.
21. Failure to comply with security policies and procedures, and failing to report theft or dishonesty of other employees.
22. Failure to adhere to policy or procedures relating to customer transactions.
23. Unauthorized possession of weapons, firearms or ammunition on Company property.
24. Unprofessional behavior toward coworkers, customers or Management, including but not limited to using profanity, failure to address/resolve conflict behind closed doors.
25. Wearing or removing merchandise from the store that has not been paid for.
26. Removing or manipulating pricing for personal purchases.

The above list of work rule violations is intended to illustrate types of behaviors on the job that are unacceptable and may lead to disciplinary action or termination. It is not, however, exhaustive. The Company reserves the right to determine whether other forms of misconduct not mentioned above violate Company work rules.

Further, employment continues to be "at will," which means that employment may be terminated by either the Company or by an employee at any time, with or without cause, and with or without notice, notwithstanding any other provision of this Handbook.

DISCIPLINARY PROCEDURE

Disciplinary procedure may include one or more of the following four steps:

1. Verbal warning
2. Written warning
3. Suspension
4. Dismissal

Disciplinary procedure will apply to the offense rather than to the person. For example, a verbal warning may be given for poor workmanship, a written warning for absenteeism, a suspension for violating a safety rule, and a dismissal for stealing. Any malicious act, such as purposely destroying Company property or striking a fellow employee, will be cause for immediate dismissal.

Other examples of misconduct that could warrant a verbal or written warning, immediate suspension, or discharge include, but is not limited to: (a) deficient attendance, (b) chronic tardiness, (c) incompetence on the job, (d) insubordination, (e) willful disregard of Company rules or supervisor's instructions, (f) use, possession, sale, or being under the influence of alcohol or drugs on Company premises or on duty elsewhere, (g) fighting, threatening, intimidating, abusing, or coercing other employees, (h) stealing, and (i) falsification of records or lying. Repeated warnings for certain offenses, such as violating a safety policy, or several violations of various policies, may result in suspension and then dismissal. Any one occurrence, based on the level of severity, may result in immediate discharge. If you have questions, please approach your immediate supervisor, the Fair Employment Practice Department, or the Human Resources Department.

Nothing contained herein, however, precludes the Company's right to terminate an employee's employment at any time, with or without cause, and with or without notice.

OPEN DOOR POLICY

The Company believes that communication is vital to its success and welcomes employee input, sharing ideas and expressing concerns. Employees are encouraged to take the following steps:

1. Talk to a direct supervisor first. He/she is there to answer questions and assist in professional growth.
2. If an employee and a manager are unable to find a solution or he/she is uncomfortable discussing an item of concern with a direct manager, discuss the situation with the General Manager, and/or their District or Regional Manager, or their Human Resources representative.
3. Open communication is encouraged both at the store level and on a corporate level. Employees are free to contact Human Resources with any unanswered questions, concerns, or situations they wish to see addressed at the corporate level.

CORPORATE PHILANTHROPY

Polo's corporate giving is administered by the Polo Ralph Lauren Foundation. Established in April 2001, the Polo Ralph Lauren Foundation is the means by which Polo Ralph Lauren contributes — financially and through employee volunteerism — to the communities in which we live and work. The Foundation supports initiatives that benefit medically underserved people through programs that focus on cancer care and prevention and that enhance artistic expression and cultural development for underserved groups. The emphasis is on projects that preserve, protect and celebrate American heritage and values.

For information on the latest Company volunteering opportunities, please visit the Volunteering section of the Polo Express website.

OWNERSHIP OF INTELLECTUAL PROPERTY

All copyrights, trademarks, patents, trade secrets, or other intellectual property rights associated with any ideas, concepts, techniques, inventions, processes or works of authorship developed or created by an employee during the course of his/her

employment for the Company ("Work Product") will belong exclusively to the Company. With respect to Work Product that is subject to copyright protection, such Work Product will, to the extent possible, be considered a "work made for hire" for the Company within the meaning of Title 17 of the United States Code. However, if the Work Product is not deemed "work made for hire" under Title 17 of the United States Code, employees agree to automatically assign at the time of creation of the Work Product, without any requirement of further consideration, any right, title, or interest such employee may have in such Work Product, including any copyright, patent, trademark or other intellectual property rights pertaining thereto, to the Company throughout the universe in perpetuity. Upon the request of the Company, an employee will take such further actions, including execution and delivery of instruments of conveyance, as may be requested by the Company to give full and proper effect to any such assignment.

All Work Product subject to trademark, patent or other intellectual property protection, shall be the Company's sole property, free and clear from any legal or equitable title of an employee, and all documents requested by the Company for perfecting title in the Company shall be executed by an employee and delivered to the Company on demand.

Employees also agree that the Company shall have the right, at its own expense, to obtain and hold in its own name trademark and patent applications and registrations or such other protection as may be appropriate to the subject matter of the Work Product, and any extensions or renewals thereof. The Company shall have the absolute right and privilege to transfer all or any part of any Work Product without any further action or consent of employees and without any accounting or further compensation to employees.

Employees agree to disclose promptly in writing to the Company any and all inventions, improvements, discoveries and copyrightable material, computer programs, processes, manufacturing techniques, trade secret formulae or know-how, patentable or unpatentable, copyrightable or uncopyrightable, protectable or unprotectable under any form of legal protection afforded to intellectual property, that during the term of an employee's employment, he or she may conceive, make, develop, author or work on, in whole or in part, solely or jointly with others. Without limiting the generality of the foregoing, employees will, without further consideration, disclose immediately in writing

to their supervisor, or to any other person designated by the Company to receive these disclosures, each and every invention or improvement, whether or not patentable, that employees may make or conceive, either solely or jointly with others, during employment with the Company which either: (a) results from any work for the Company, any use of the Company's premises or property, or any use of the Company's confidential information or other resources; or (b) relates to any method, process, apparatus, shop practice, or know-how useful to or being developed by the Company in connection with any existing or planned business of the Company or any actual or anticipated research or development of the Company; or (c) relates to any product, article of manufacture, or composition of matter being developed, made, sold, or used in connection with the Company's business or the Company's research or development. In making such written disclosure, employees agree to specifically point out the feature(s) or concept(s) which employees believe to be new or different.

Employees agree to take no action that will violate any applicable law, rule, regulation, or contracts with third parties and will not infringe upon the rights of third parties, including property, contractual, employment, trade secret, proprietary information and nondisclosure rights, or any third-party rights in any trademark, copyright or patent rights, nor breach any other agreement to which they may be a party or may be bound.

To the extent that employees may have any so-called "moral rights" in connection with the Work Product, employees agree to waive such rights and acknowledge and agree that the Company may use, exploit, distribute, reproduce, advertise, promote, publicize, alter, modify or edit the Work Product or combine the Work Product with other works, in the Company's sole discretion, in any format or medium hereafter devised. Employees agree to waive any and all rights to seek or obtain any injunctive or equitable relief in connection with the Work Product.

The Company is not entitled to the rights for work that (a) is made, developed, or conceived by an employee without the use of the Company's resources and on his/her own time and (b) does not relate to any past, present, or prospective activity of the Company about which the employee has knowledge. Employees shall refrain from any act that violates the rights of the Company in any of its property. Appropriate disciplinary

action may be taken against any employee that violates this policy, including dismissal.

DOCUMENT RETENTION

The Company maintains a records retention program to establish standardized and orderly procedures for retaining and disposing of corporate records, which comply with all legal and fiscal requirements as well as the business needs of the Company and its employees. Polo's program is designed to meet the following minimum requirements:

- All records are retained for at least the minimum period as required by applicable state or federal law or regulation.
- All records that may substantially affect the obligations of the Company are retained for a period of time that will reasonably assure the availability of those records when needed.
- Adequate records are developed and maintained to document the Company's compliance with all relevant laws.
- Destruction of records takes place pursuant to a standard policy that has been developed for business reasons.
- All destruction procedures have a mechanism that will stop the destruction process immediately upon receipt of service of legal process so as to prevent the destruction of records that might be relevant to those legal proceedings.
- Vital records are identified and appropriately safeguarded.
- The privacy and security of records is appropriately assured.
- Records maintained on magnetic tape and other electronic data, including emails, will be covered by the program.

For further information about specific retention requirements for an employee's department and/or certain types of documents, please contact the Legal Department.



VI: INTERNAL SECURITY POLICIES AND RULES

EMPLOYEE PURCHASES

All employee returns or exchanges must be accompanied by a receipt and approved by a manager. Unless defective, merchandise must be unused/unworn with tags attached.

Returns of employee purchases originally made through Polo.com or other retailers for the purpose of return and repurchase at your employee discount are prohibited.

Employee "Holds" are not permitted, unless approved by a manager.

Employee purchases can only be transacted at designated times, and employees must identify themselves whenever making a purchase, return or exchange. Consult a supervisor for the times at the store. A manager must approve and process all employee purchases at the time of sale, unless it is during a corporate shopping event. Another manager must approve and process all managers' purchases. No individual may transact his/her own purchases, or the purchase of a family member or friend (additional paperwork may be required at PRC Stores).

Employee special orders must be approved by the Credit Department prior to placement.

Merchandise purchased during the workday must remain in a sealed bag accompanied by a receipt. All such bags are to remain in a designated area until departure from the store at the end of the designated work shift.

No one may wear or use store merchandise that has not been purchased.

Employees must provide a manager with a receipt for any Polo Ralph Lauren merchandise purchased from a source other than their store.

Gifts purchased by employees will not be wrapped, but will be packaged in the same manner as any other purchase. Gift boxes, where applicable, will be provided upon request. FSC employees must purchase gift boxes, and should see a manager for specific details.

EMPLOYEE DISCOUNT BENEFIT RULES

- Employees must be present at time of purchase in order for the discount to apply.
- Gifts, which you purchase, must be paid for entirely by you. You may not be reimbursed by anyone. Using your discount to purchase items for other individuals (other than gifts) is a violation of these rules.
- When your discount is used to purchase a gift, certain qualifications apply to the recipient: if the recipient chooses to return the gift for cash the discounted price will be given. The gifts may be exchanged on a retail-for-retail basis.
- PRC employees are not eligible for an employee discount on sale merchandise. If the merchandise is on sale, you receive either the discounted sale price or pay full retail minus your employee discount (except during Corporate directed shopping events).
- Damaged merchandise or marked-out-of-stock merchandise is not available for purchase.
- Employee discount may not be used to purchase a gift certificate or a gift card.
- The discount benefit is for active employees only — all transactions must be completed prior to an employee's termination.

For PRC Employees Only

- Merchandise must be in the store at least 10 (ten) days prior to discount purchase. This may vary depending on inventory levels.
- Commission is not paid on purchases by store employees. Purchases by Corporate employees are eligible for commissions in accordance with Company policy.

Any violation of the discount privilege will be viewed as a violation of our security policy and may result in immediate dismissal.

The distribution, trade or sale of Company-issued coupons or discount codes done not in accordance with Company guidelines is prohibited. Employees who violate or abuse their discount privilege will be subject to discipline, up to and including termination of employment. Employees who purchase items for themselves or on behalf of others for resale or distribution through non-authorized vendors or through the internet may be subject to disciplinary actions, up to and including termination of employment.

CUSTOMER TRANSACTIONS

Employees may not ship orders to customers and charge a credit card prior to their approval. Employees are not permitted to accept blanket customer approval – each transaction must be described and approved by the customer.

A receipt must accompany all mail-outs or alterations.

Employees are not authorized to discount merchandise beyond the marked price without a manager's approval.

All voids must have a manager's signature.

A manager must approve any returns or exchanges. Employees should see a manager for specific details.

A manager must approve all cash refunds. Employees may not waive shipping fees, alteration charges or other fees without a manager's approval.

No transaction may be signed "Per Customer" or "Signature on file."

GENERAL SECURITY

- Designated entrances and exits must be used at all times, unless exempted by the General Manager.
 - To avoid any potential conflict of interest, a manager is required to complete the requested transaction on any sale to a personal friend or relative of a store employee.
 - Bag checks must be performed any time an employee leaves the store. Each employee must inform a manager that he or she is about to leave the store with a bag, box or any other item used to carry merchandise. When the manager arrives, the employee should then punch out (for lunch or end of shift) and proceed to have all bags inspected by the manager before exiting the store.
 - All bags and packages brought into the store must be secured in a designated area. Handbags and backpacks are not permitted on the sales floor.
 - A merchandise authorization form needs to be completed for any personal wardrobe items brought into the store.
 - All trash must leave the building in clear bags through designated exits and must be checked by a manager.
 - All personnel are responsible for immediately removing merchandise left behind in fitting rooms.
 - Two employees must be present to open and close the store at all times. At least two people must be in the store at all times and one must be a key holding supervisor. A manager must be present at all times during business hours.
 - Security area doors/exits must be locked and armed at all times.
 - All off-site merchandise and display items must have prior management approval before leaving a designated off-site holding space.
 - Employees are restricted from entering the backroom area on days they are not scheduled to work without a manager's permission.
- If an employee suspects an internal security problem, address it confidentially with the General Manager (if appropriate) or

call Human Resources, Loss Prevention, or the Make A Difference line. Employees should not investigate matters themselves or reveal their suspicions to coworkers. The Company will make every possible attempt to keep identities anonymous if it instigates an internal investigation. Based on the severity, certain people may need to be contacted on a business, need-to-know basis.

Interfering with or failing to cooperate or falsifying information in a Company investigation may result in discipline, up to and including termination of employment.

KEYS/CODES/PASSWORDS

Keys to doors/exits are to be in the possession of managers only. All lost or stolen keys must be reported immediately to the General Manager so that locks can be changed.

Access to store keys is limited to authorized personnel.

Store keys or pass codes are not to remain in the register, but are to remain in the possession of a designated employee only.

Pass codes are not to be shared at any time for any reason.

CREDIT

- If an employee's personal check is returned to the Company due to a shortage of funds, he/she must immediately send the Credit Department a money order for the amount of the check. The employee will not be allowed to write a check at the Company for six months.
- Credit cards are not transferable. Only the cardholder whose name appears on the card may use the card; otherwise, call the credit card company for assistance.
- Employees may not override a decline on a credit card.
- All returns must be returned to the same card on which the original transactions occurred.

BAG INSPECTION

All packages are subject to inspection by Store Management. Inspections will be conducted at the employee entrances and exits. A sales receipt must accompany all purchases made by employees.

The Company reserves the right to randomly inspect all shopping bags, briefcases, totes, handbags or other items taken from the store as well as work areas and lockers. Such inspections are a condition of employment.

SAFETY/ON-THE-JOB INJURIES

Safety in the workplace is the responsibility of every employee. The Company constantly attempts to provide a safe environment, but if an employee becomes aware of a potentially dangerous situation, it should be reported to management or the Human Resources Department as soon as possible.

If an employee is involved in any type of accident during working hours, he/she must notify the manager or Human Resources immediately. Due to state Workers' Compensation Laws, certain reports may be required.

RETURNS AND EXCHANGES

The intention of our Return and Exchange Policy is to allow for our associates to receive credit/debit for the appropriate activity.

In PRC stores, all returns must be processed under the applicable salesperson number within 5 days of receipt.

The Following Guidelines Apply to PRC Stores Only

HOUSE NUMBERS AND

UNAUTHORIZED/INVALID NUMBERS

All returns and exchanges involving unauthorized/invalid numbers and house numbers must be reviewed and processed by the general manager, assistant general manager, or manager on duty.

This includes but is not restricted to the following:

- Returns
- Exchanges
- Charge sends

Willingly/knowingly processing a commissioned transaction using an unauthorized/invalid number or a house number will be considered fraudulent activity.

DEFERRED SALES/RETURNS AND MERCHANDISE CREDITS

Any transactions involving a deferred account must be reviewed and signed off by the General Manager, Assistant General Manager, or Manager on Duty.

All returns require a manager's signature.

Willingly/knowingly processing a return/sale via a deferred account or a merchandise credit with the intention of manipulating commission will be considered fraudulent activity, and may be subject to disciplinary action, up to and including termination of employment.

CUSTOMER HOLDS - NON-PAID, PAID AND ALTERATIONS

Non-Paid Holds

All non-paid holds for customers are to be reviewed on a weekly basis by a manager

- Must be signed off by a manager
- Non-paid holds are permitted up to seven days
- All holds must have the hold tag hanging on the hanger or stapled to the outside of the bag (sale bags are to be utilized for all holds)
- All non-paid holds are to be clearly separated from paid holds

Paid Holds

All paid holds are to be reviewed on a weekly basis by a manager

- Paid holds are permitted up to 30 days
- After 30 days the merchandise will be returned to the original form of tender by a manager to the original employee number
- All paid holds must be clearly separated from the non-paid holds
- The receipt must be stapled to the outside of the bag (sale bags are to be utilized for all holds)

Alterations

All paid holds are to be reviewed on a weekly basis by a manager

- Alteration paid holds are permitted up to 30 days
- After 30 days the merchandise should be offered to be shipped directly to the customer
- The receipt must be stapled to the outside of the bag (sale bags are to be utilized for all holds)
- After all contacts and attempts to reach the customer have been exhausted return to the original form of tender
- These items must be marked out of stock as part of the monthly marked out of stock process

Willingly/knowingly violating these hold policies that have not been authorized by the General Manager will be deemed inappropriate behavior, and may be subject to disciplinary action, up to and including termination.

At no time should goods held for customers be stored off Company premises.

TRANSFERS, CHARGE SENDS AND SECONDARY SEND SALES

There will be no pre-ringing of product until it is physically received and processed by the store. The only exception to this is fabric/wall-paper and lighting (MTO & MTM program). The Special Order agreement has to be completely filled out and signed by the customer.

Transfers

All items that are requested by the customer to be sent to the initiating store must be transferred.

- As outlined in the operations guide, these transfers should be sent at a minimum on Monday, Wednesday, and Friday with the regular inter-store transfers. (Next Day Ground or Express Saver)
- If a customer requires that the product arrive earlier, the customer is responsible for the shipping charge, which needs to be processed on the POS under non-merchandise.

Charge Sends and Secondary Send Sales

Charge sends must only be sent to the mailing address provided by the customer. The customer/employee *may not* charge send product from one Polo store to another Polo store.

- The associate must ensure that they have the permission of the customer to process the sale, utilizing the Secondary Send Sale form.
- All charge sends and secondary send sales must be processed within 24 hours upon receipt.

Willingly/knowingly bringing in product not at the customer's request or that has not been authorized by the General Manager will be deemed inappropriate behavior, and may be subject to disciplinary action, up to and including termination of employment.

- All customer phone orders must follow the charge send process. All hand deliveries must have signatures.
- All credit card transactions must have the customer's signature, otherwise, follow secondary send sale procedure. No transaction may be signed as "Phone Order."

TRUNK SHOW/PRE-ORDERS

The associate must complete the appropriate Order Acknowledgement form for all Trunk Shows and Pre-orders.

Ensure that customer is called prior to shipping product to their home, as a re-confirmation and courtesy.

- The associate must ensure that they have the permission of the customer to process the order in accordance with the completed form.

Willingly/knowingly generating or falsifying orders not at the customer's request will be deemed inappropriate behavior, and may be subject to disciplinary action, up to and including termination of employment.



VII: CODE OF BUSINESS CONDUCT & ETHICS

The Code of Business Conduct and Ethics (the "Code") sets forth basic principles to guide you in your day-to-day activities as an employee, officer or director of Polo Ralph Lauren. It should be read together with other Company policies and procedures, including the policies and procedures set out in the Company's employee handbook. It does not cover every legal or ethical issue that you may confront at the Company. Indeed, no Code can attempt to anticipate the myriad issues that arise in a business as global and dynamic as Polo Ralph Lauren's. However, by following this Code and other Company policies and procedures and applying sound judgment to your activities, you can help ensure the Company's continued success and its reputation as a good corporate citizen. Violations of this Code may subject you to disciplinary action, up to and including termination of employment. In addition, a violation of any of these policies may result in legal action against you by the Company and/or other governmental authorities.

Follow Both the Letter and the Spirit of the Law

As a global business, the Company is subject to numerous laws and regulations in jurisdictions around the world. It is your responsibility to know and understand the laws applicable to your job responsibilities and to comply with both the letter and the spirit of these laws. This requires that you avoid not only actual misconduct but even the appearance of impropriety. Assume that any action you take ultimately could be publicized, and consider how you and the Company would be perceived. When in doubt, stop and reflect. Ask questions. The Company strongly encourages and expects you to discuss freely any concerns you may have. In particular, if you are unclear about the applicability of the law to your job responsibilities, or if you are unsure about the legality or integrity of a particular course of action, you should seek the advice of the Legal Department. You should never assume that an activity is acceptable merely because others in the industry engage in it. Trust your instincts — if something does not appear to be lawful or ethical, it may not be.

Fair Dealing

The Company seeks to further its success as a global leader in the fashion industry fairly and honestly through superior design and performance. Every employee, officer and director must therefore always keep the best interests of the Company's clients paramount and endeavor to deal fairly with suppliers, competitors, the public and one another. No one should take unfair advantage of anyone through manipulation, abuse of privileged information, misrepresentation of facts or any other unfair dealing practice.

Gifts and Entertainment

Gifts and entertainment may create an inappropriate expectation or feeling of obligation. You and members of your family may not accept gifts or special favors (other than an occasional non-cash gift of less than \$100) from any person or organization with which the Company has a current or potential business relationship. Further, business gifts to, and entertainment of, non-government employees in connection with business discussions or the development of business relationships are only appropriate if they are in the ordinary course of business and their value is modest. If you have any questions about the appropriateness of a business gift or expense, you should contact the Legal Department. Giving gifts to, or entertaining, government employees whether in the United States or in other countries may be illegal. The United States Foreign Corrupt Practices Act, for example, prohibits giving anything of value, directly or indirectly, to any "foreign official" for the purpose of obtaining or retaining business. In addition, virtually every country has enacted a domestic anti-bribery statute. Check with the Legal Department if you have any questions about the acceptability of conduct under these laws or the rules of a country in which you are doing business, including whether prior Company approval is required.

Conflicts of Interest

All employees, officers and directors have an obligation to act in the best interests of the Company. You should avoid any activity,

interest, or association outside the Company that could impair your ability to perform your work objectively and effectively or that could give the appearance of interfering with your responsibilities on behalf of the Company or its clients.

A conflict of interest may also occur as a result of the actions, employment or investments of an immediate family member. Therefore, you must consider the impact of your immediate family on your compliance with this Code. For this purpose, "immediate family" includes your spouse or domestic partner, parents, grandparents, children, siblings, nieces, nephews, cousins, as well as your spouse's or domestic partner's parents, grandparents, children, siblings, nieces, nephews, and cousins.

In reviewing your compliance with the policies, you must solicit information from all members of your immediate family who live in your household. While you do not need to solicit information from other members of your family, you must inform the Legal Department if you are aware of any matters involving an immediate family member that might be a violation of the Company's policies.

It is not possible to describe every situation in which a conflict of interest may arise. The following are examples of situations that may raise a conflict of interest (unless permitted by law and Company policies):

- Accepting special favors, cash, gifts, discounts, services or anything else of non-nominal value (usually valued at more than \$100) as a result of your position with the Company from any person or organization with whom the Company has a current or potential business relationship
- Competing with the Company for the purchase or sale of property, services, or other interests
- Acquiring an interest in a transaction involving the Company, a customer, or supplier (excluding routine investments in publicly traded companies unless an employee's judgment might be affected by such investment)
- Directing business to a supplier owned or managed by, or which employs, an immediate family member, other relative or friend

- Receiving a personal loan or guarantee of an obligation as a result of your position with the Company

- Working in any capacity for a competitor, supplier, customer or vendor while an employee of the Company, or participating in any activity that competes with or diverts income opportunities away from the Company

Employees and officers must promptly report any potential relationships, actions or transactions (including those involving immediate family members) that reasonably could be expected to give rise to a conflict of interest to their manager and the Legal Department. In addition, employees who intend to seek outside employment of any kind while remaining a Company employee should notify their managers and the Legal Department of their interest and obtain approval from both before accepting such other employment.

Directors should also disclose any actual or potential conflicts of interest to the Chairman of the Board and the General Counsel. All directors must recuse themselves from any Board discussion or decision affecting their personal, business or professional interests.

Corporate Opportunities

You owe a duty to the Company to advance its interests. You may not use your position or corporate property or information for personal gain, and may not take Company opportunities for sales or purchases of products, services or interests for yourself. Business opportunities that arise as a result of your position in the Company or through the use of corporate property or information belong to the Company.

Confidential Information

Confidential information generated and gathered in our business is a valuable Company asset. Protecting this information is critical to the Company's reputation for integrity and its relationships with its suppliers, licensees and customers. Accordingly, you should maintain all confidential information in strict confidence, except when disclosure is authorized by the Company or required by law.

"Confidential information" includes all non-public information that might be useful to competitors or that could be harmful to the Company or its customers if disclosed. It includes, for example,

intellectual property, business plans, personal employee information and unpublished financial information. You should also respect the property rights of other companies. "Confidential information" also includes non-public information that has been provided to the Company by licensees, suppliers and others with whom the Company has a business relationship and that have an expectation of confidentiality.

In addition, "confidential information" includes, but is not limited to, all information relating to:

- Company designs for products, advertising and promotional materials, and store environments;
- Company business methods and practices;
- Company client books, records, and databases;
- Company resources for products and services used in connection with the Company's business;
- Company databases and other compilations, data or information and the Company's computer system components; and
- Company techniques for finding, analyzing and distributing data or information;
- The names of the Company's customers, suppliers, and the nature of the Company's relationships with them.

Unauthorized use or distribution of proprietary or confidential information violates Company policy and could be illegal. Such use or distribution could result in negative consequences for both the Company and the individuals involved, including potential legal and disciplinary actions. Your obligation to protect the Company's proprietary and confidential information continues even after you leave the Company, and you must return all such information in your possession upon your departure.

If an employee has access to the confidential information of any other company as a result of prior employment or otherwise, he/she should take care not to disclose such confidential information to the Company or to use that information in order to influence the Company's designs, plans, or strategies. Employees

concerned that an assignment with our Company may jeopardize a prior employer's secrets should contact Human Resources and/or the Legal Department.

Nothing contained herein is intended to interfere with or restrict an employee's rights under the National Labor Relations Act or any other federal, state or local law.

Company Systems and Assets

Company policies regulate use of the Company's systems, including telephones, computer networks, electronic mail and remote access capabilities. Generally, you should use the Company's systems and property only for legitimate Company business. Under no conditions may you use the Company's system to view, store, or send unlawful, offensive or other inappropriate materials. In addition, protecting Company assets against loss, theft, waste, or other misuse is the responsibility of every employee, officer and director. Any suspected misuse should be reported to your manager and the Legal Department. In addition, please consult the employee handbook for information about the Company's Make a Difference program and how to report violations anonymously, and for further information about the Company's Electronic Communications policies.

Misuse of Inside Information

Using inside information to trade securities, or to "tip" a family member, friend or any other person, is illegal. All non-public information about the Company that might have a significant impact on the price of the Company's securities, or that a reasonable investor would be likely to consider important in making an investment decision with respect to the Company's securities, should be considered inside information. You may never, under any circumstances, trade, encourage others to trade, or recommend securities or other financial instruments based on (and in some circumstances, while in the possession of) inside information.

The misuse of inside information may result in disciplinary action by the Company, up to and including termination of your employment. Misusing inside information may also result in civil and criminal penalties, including imprisonment.

To protect against insider trading or even the appearance of insider trading, the Company has a securities trading policy governing employee, officer and director trading which is contained in the

employee handbook. You are required to familiarize yourself and comply with this policy. If you have any questions about your ability to buy or sell securities you should contact the Company's Corporate Counsel.

Provide Fair and Truthful Disclosures to the Public

The Company has a responsibility under the law to communicate effectively so that the public is provided with full and accurate information in all material respects. To the extent that you are involved in the preparation of materials for dissemination to the public, you should be careful to ensure that the information in these materials is truthful, accurate and complete. In particular, the Company's senior financial officers, executive officers and directors shall endeavor to promote full, fair, accurate, timely and understandable disclosure in the Company's public communications, including documents that the Company files with or submits to the United States Securities and Exchange Commission and other regulators. If you become aware of a materially inaccurate or misleading statement in a public communication, you should report it immediately to the Legal Department.

Employees are not allowed to discuss any Company related information with the media unless specifically authorized by the Company. This type of information would include, but is not limited to, any information relating to the Company's sales, products, employees, finances, or other information not generally known to the public. If an employee is contacted by a member of the press, including any author or writer, or receives a request for information from any governmental agency or legal counsel, the employee should not respond to the request and must refer the individual or agency to the Legal Department.

Maintain Accurate Books and Records

The Company must maintain accurate and complete books and records. Every business transaction undertaken by the Company must be recorded correctly and in a timely manner in the Company's books and records. The Company therefore expects you to be candid and accurate when providing or entering information for these documents and systems. You are specifically prohibited from making false or misleading entries in the Company's books and records. In particular, senior financial officers must endeavor to ensure that financial information including the Company's books and records is correct and complete in all material respects.

Treat Others with Respect and Dignity

Consistent with our core values, including respect for individuals and cultures, the Company is committed to a workplace in which all individuals are treated with dignity and respect without regard to race, color, religion, sex, gender, sexual orientation, marital status, age, ethnic or national origin, disability, veteran status and any other characteristic prohibited by applicable law. Each individual should have the ability to work in an environment that promotes equal employment opportunities and prohibits discriminatory practices, including harassment. Therefore, the Company expects that all relationships among persons in the workplace will be professional and free of bias, harassment or violence.

Misconduct, including discrimination, harassment, retaliation or other forms of unprofessional behavior, even if not unlawful, may subject you to disciplinary action by the Company, up to and including termination. In addition, conduct that is unlawful may subject you to civil, and in some cases criminal, liability.

You should refer to the Company's Fair Employment Practice Policy and Anti-Harassment Policy in the employee handbook for information regarding the Fair Employment Practice Department and specific procedures for reporting unprofessional behavior.

The Company has adopted a separate Code of Ethics for Principal Executive Officers and Senior Financial Officers that is posted on its website (<http://investor.polo.com>).

Promote a Safe and Healthy Working Environment

The Company is committed to conducting its business in compliance with all applicable environmental and workplace health and safety laws and regulations. The Company strives to provide a safe and healthy work environment for employees and to avoid adverse impact and injury to the environment and communities in which it conducts its business. Achieving this goal is the responsibility of all employees, officers, and directors.

ENFORCEMENT AND ADMINISTRATION OF THE CODE

Reporting Violations

You are the Company's first line of defense against unethical business practices and violations of the law. If you observe or become aware of any conduct that you believe may be unethical or unlawful – whether by another employee or a consultant,

supplier, licensee or other third party – you must communicate that information to your direct manager or other persons designated under the Company's policies and procedures. If appropriate or necessary (including if you reported a concern and feel that it was not properly acted upon), you may make a report to the Legal Department. All reported concerns will be appropriately reviewed or investigated, and appropriate steps will be taken to stop any violation and prevent its recurrence.

If your concerns relate to the conduct of the Chief Executive Officer, any other senior executive or financial officer, or a member of the Board of Directors, you may report your concerns to the General Counsel, who will notify the Chair of the Audit Committee of the Board of Directors if the allegations of unlawful or unethical conduct have merit. You may also report concerns regarding accounting, internal accounting controls or auditing matters pursuant to the Company's Procedures for Reporting and Investigating Employee Complaints Regarding Accounting, Internal Controls and Auditing Matters, a copy of which follows this policy.

If you prefer to report an allegation anonymously, you must provide enough information about the incident or situation to allow the Company to investigate properly.

If you are a supervisor, you have an additional responsibility to take appropriate steps to stop any misconduct that you are aware of, and to prevent its recurrence. Supervisors that do not take appropriate action may be held responsible for failure to supervise properly.

Polo Ralph Lauren will not tolerate any kind of retaliation for reports or complaints regarding the misconduct of others that were made in good faith. Open communication of issues and concerns by all employees without fear of retribution or retaliation is vital to the continued success of the Company. Unless appropriate Company management learns of a problem, the Company cannot deal with it. Concealing improper conduct often compounds the problem and may delay or hamper responses that could prevent or mitigate actual damage. If you have any questions regarding your obligations under this Code, you should promptly contact the Legal Department.

Consequences of Violating the Code

If you are an employee or officer, this Code forms part of the terms and conditions of your employment at the Company. Employees, officers and directors are expected to cooperate in internal investigations of allegations of violations of the Code, and actual violations may subject you to the full range of disciplinary action including, with respect to employees and officers, discharge from the Company. Violations of this Code may also constitute violations of law and may result in civil or criminal penalties.

Waivers and Amendments

Any waivers of the provisions of this Code for executive officers or directors may be granted only in exceptional circumstances by the Board of Directors and will be promptly disclosed to the Company's shareholders.

Amendments to this Code must also be approved by the Board of Directors. It is your responsibility to be familiar with the Code as it may be revised from time to time.

PROCEDURES FOR REPORTING AND INVESTIGATING EMPLOYEE COMPLAINTS REGARDING ACCOUNTING, INTERNAL CONTROL AND AUDITING MATTERS

Purpose

It is the policy of the Company to promote ethical behavior. The Company recognizes that each employee has an important role to play in achieving this goal. This policy governs the procedure by which employees (either by name or anonymously) can notify representatives of the Company's management and the Audit Committee of the Company's Board of Directors of potential violations or concerns regarding accounting, internal control and auditing matters. This policy sets forth the mechanism by which the Company will respond to, and keep records of, any reports or complaints from employees regarding such potential violations or concerns.

Conduct Covered by this Policy

Employees are strongly encouraged to report any misconduct that they become aware of in the course of their employment or otherwise in connection with their employment. The Company expects employees to report the following conduct in accordance with this policy:

- Criminal conduct;
- Fraud or deliberate error in the preparation, evaluation, review or audit of any of our financial statements;
- Fraud, misappropriation, or other questionable practices related to the preparation or maintenance of our financial records;
- Misrepresentations or false statements to or by a senior officer or outside accountant regarding a matter contained in our financial records, financial reports or audit reports;
- Deviations from full and fair reporting of our financial condition;
- Failure to comply with, or efforts to circumvent, our internal compliance policies or internal controls;

Reporting Alleged Violations or Concerns

Note: The following procedures should be used only to report potential violations or concerns regarding accounting, internal control and auditing matters. To report any other matter, please speak with your supervisor or manager or follow the other reporting procedures set forth in the Company's Code of Business Conduct and Ethics or the Employee Handbook.

As set forth in the Company's Code of Business Conduct and Ethics, employees are encouraged to talk to their supervisors, managers and other appropriate personnel if they become aware of any conduct encouraged to be reported under this policy. However, instead of reporting a concern to a supervisor, manager or staff member (or if an employee reported a concern and feels that it was not properly acted upon), an employee may make a report to any of the following, by letter, email or telephone:

- The General Counsel:
Jonathan Drucker
625 Madison Avenue
New York, NY 10022
212-705-8325
jonathan.drucker@poloralphlauren.com

- The Chief Executive Officer:

Ralph Lauren
650 Madison Avenue
New York, NY 10022
212-318-7503

- The Chairman of the Audit Committee:

Frank A. Bennack, Jr.
The Hearst Corporation
1345 Avenue of the Americas
New York, NY 10105
212-649-2120
FBennack@hearst.com

An employee may sign the correspondence, use an email that identifies him or her as the sender or disclose his or her name in the phone call. An employee may also communicate anonymously. Anonymous letters, emails and phone calls will be investigated and acted upon in the same manner as if the identity of the sender were known. Signed correspondence will be acknowledged by the recipient.

You do not need absolute proof of misconduct to make a report or complaint, but we expect that you would have some basis for voicing your concerns. It will not always be clear that any particular action rises to the level of misconduct or illegal conduct. You should use your judgment. We would prefer that you raise concerns and not keep them to yourself. If you make a report in good faith and it turns out that you were wrong, your concern will be nonetheless appreciated and will not subject you to disciplinary action.

All reports should contain as much specific information as possible to allow the appropriate personnel to conduct an investigation of the reported matter. All material information that the employee knows regarding the allegation or concern should be included. The Company may, in its reasonable discretion, determine not to commence an investigation if a complaint contains only unspecified or broad allegations of wrongdoing without appropriate informational support.

Investigation of Complaints

Upon receipt, complaints or reports will be forwarded to the Audit Committee. The Audit Committee or its member designee shall

then make a determination whether a reasonable basis exists for commencing an investigation into the matter. To assist in making this determination, the Audit Committee or its member designee may conduct an initial, informal inquiry. Members of management and other parties may become involved in the initial inquiry based on their oversight responsibilities or expertise.

If the Audit Committee or its member designee determines that a reasonable basis exists for conducting a formal investigation into the complaint or report, the Audit Committee shall direct and supervise the Company's investigation. The Audit Committee has overall responsibility for implementation of this policy, and may retain independent legal counsel, accountants and other advisors as it deems necessary to conduct an investigation in accordance with this policy and its charter.

Confidentiality

To the extent possible, all reports and complaints should be handled in a confidential manner. In no event should information concerning a report or complaint be released to persons without a specific need to know about it. The Audit Committee's determination with respect to any report or complaint submitted pursuant to this policy will be communicated to the employee who made it, unless he or she is anonymous, and to the appropriate members of management.

Corrective Action

The Audit Committee, with the input of Company management, if requested, will determine the validity of a report or complaint and any corrective action to be taken. Management shall take such corrective action, including, where appropriate, reporting any violation to the relevant federal, state or regulatory authorities. Directors, officers and employees who are found to have violated any laws, governmental regulations or Company policies will face appropriate disciplinary action, which may include demotion or discharge.

No Retaliation for Submitting Complaints, Providing Information or Participating in Investigation

Neither the Company nor any of its employees may discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee who: (a) provides information regarding any conduct encouraged to be reported under this policy that the employee in good faith believes has occurred to any supervisor

or manager; (b) submits a complaint pursuant to this policy regarding any conduct encouraged to be reported under this policy that the employee in good faith believes has occurred, even if after investigation the Company determines that there has not been a violation; or (c) participates in, or otherwise assists, in good faith with a proceeding relating to conduct encouraged to be reported under this policy. Disciplinary action will be taken against any supervisor who retaliates, directly or indirectly, or encourages others to do so, against an employee who takes any of the above-mentioned actions.

Reporting and Retention of Complaints and Documents

The Company's General Counsel shall maintain a log of all reports or complaints submitted pursuant to this policy, tracking their receipt, investigation and resolution. All written or email complaints or reports, along with the General Counsel's log and any written results of any investigations, shall be retained by the Company according to its document retention policy.

Compliance with this Policy

All employees are required to follow the procedures outlined herein and to cooperate with any investigation initiated pursuant to this policy. The Company must have the opportunity to investigate and remedy any alleged violations or employee concerns. Disciplinary action may be taken against employees for violating this policy.

This policy does not constitute a contractual commitment of the Company. This policy does not change the at-will employment status of an employee. Specifically, employment is for an indefinite period of time and is terminable at any time with or without cause.



VIII: SECURITIES TRADING POLICY

The Company maintains standards concerning the handling of non-public information relating to the Company and the buying and selling securities of the Company. This policy applies to all directors, officers, and employees of Polo Ralph Lauren, and any of its affiliates designated by the Company from time to time.

The consequences of insider trader violations can be staggering.

For individuals who trade on inside information (or tip information to others):

- A civil penalty of up to three times the profit gained or loss avoided;
- A criminal fine (no matter how small the profit) of up to \$1 million; and
- A jail term of up to 10 years.

For a company (as well as possibly any supervisory person) that fails to take appropriate steps to prevent illegal trading:

- A civil penalty of up to the greater of \$1 million or three times the profit gained or loss avoided as a result of the employee's violation; and
- A criminal penalty of up to \$2.5 million.

Moreover, if an employee of the Company violates the policy statement of procedures relating to the policy statement, Company-imposed sanctions, including dismissal for cause, could result. Needless to say, any of the above consequences, even an investigation by the Securities and Exchange Commission that

does not result in prosecution, can tarnish the reputation of both the Company and the employee, and irreparably damage a career.

POLICY OVERVIEW

If a director, officer, or any employee of the Company possesses material, non-public information relating to the Company, it is our policy that neither that person nor any related person may buy or sell securities of the Company. Furthermore, they may not engage in any other action to take advantage of that information, or pass it on to others. This policy also applies to information relating to any other company, including the customers and suppliers of the Company, obtained in the course of employment with, or serving as a director of, the Company.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are no exception. Employees must avoid any appearance of an improper transaction to preserve the Company's reputation, adhering to the highest standards of conduct.

MATERIAL INFORMATION

"Material information" constitutes any information that a reasonable investor would consider important in a decision to buy, hold, or sell stock — in short, any information that could reasonably affect the price of the stock.

Common examples of information frequently regarded as material are: information about unpublicized earnings or losses; news of a pending or proposed merger, acquisition or tender offer; news of a significant sale of assets or the disposition of a subsidiary; changes in dividend policies; the declaration of a stock split or the offering of additional securities; changes in top management; significant new products or discoveries; impending bankruptcy

or financial liquidity problems; and the gain or loss of a substantial customer or supplier. Either positive or negative information may be material.

20-20 HINDSIGHT

If an employee's securities transactions become the subject of scrutiny, then they will be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction, employees should carefully consider how regulators and others might view their transactions in hindsight.

TRANSACTIONS BY "RELATED PARTIES"

The very same restrictions described above apply to the spouse, minor children, and anyone else living in the household of an employee, partnerships in which an employee is a general partner, trusts of which he/she is a trustee, and estates of which he/she is an executor (collectively called "Related Parties"). Polo expects directors, officers, and employees to be responsible for compliance with this policy by their Related Parties.

TIPPING INFORMATION TO OTHERS

Whether the information is proprietary information about the Company or other information that could have an impact on our stock price, directors, officers and employees must not pass the information on to others. The penalties above apply whether or not they derive any benefit from another's actions.

COMPANY BLACKOUT PERIODS

Directors, officers, and employees of the Company are prohibited from buying or selling securities of the Company in the public market during certain "blackout periods." These blackout periods begin two weeks prior to the end of each of the Company's fiscal quarters and continue through the first business day following the day on which the Company releases its quarterly earnings.

Employees should be aware that the blackout periods described above may be modified by the Company at any time. In addition, the Company may, from time to time, determine that trading in the Company's securities is inappropriate even outside the established blackout periods. Accordingly, the Company may prohibit trading at any time. Employees will receive notice of any modification by the Company of its blackout period policy or of any prohibition on trading outside established blackout periods.

PRE-CLEARANCE OF ALL TRADES BY DIRECTORS, OFFICERS, AND OTHER KEY PERSONNEL

To provide assistance in preventing inadvertent violations and avoiding the appearance of an improper transaction (which could result, for example, when an officer engages in a trade while unaware of a pending, major development), the Company began implementing the following procedure:

All transactions in securities of the Company (purchases, sales, transfers, etc.) by directors, officers (those employees at Vice President level and above) and personnel in the financial, accounting, controller's, and legal departments must be pre-cleared by the Vice President-Corporate Counsel. Before contacting a broker or taking any other step to initiate a transaction in stock of the Company, these employees should contact the Vice President-Corporate Counsel.

This requirement does not apply to stock option exercises, but would cover market sales of option stock, including sales of shares in a "cashless exercise" of an option. Employees must contact the Vice President-Corporate Counsel before contacting brokers or taking any other step to initiate a cashless exercise or other transaction in stock of the Company. And, in view of the fact that sales of option stock are likely to occur following an exercise, employees are encouraged to pre-clear all option exercises.

The Company will treat the creation, modification, or termination of a pre-planned trading program or arrangement established to meet the requirements of Rule 10b5-1 under the Securities Exchange Act as a transaction subject to pre-clearance at the time the plan is established, modified, or terminated. Persons subject to the pre-clearance policy described above should coordinate any such plans or arrangements with the Vice President-Corporate Counsel.

ASSISTANCE

Any employee with questions about this policy statement, or about specific transactions, may contact the Vice President-Corporate Counsel. However, the ultimate responsibility for adhering to the policy statement and avoiding improper transactions rests with the employee. In this regard, it is imperative that an employee use his/her best judgment.



IX: ELECTRONIC COMMUNICATIONS

Every employee that utilizes any Polo Ralph Lauren electronic mail (email) resource must comply at a minimum with the requirements stated in this policy. In addition, they are to adhere to the email policies of any other networks or hosts to which they are connected.

Polo Ralph Lauren reserves the right to scan for unauthorized activity at any given time period. In addition, Polo Ralph Lauren reserves the right to intercept and/or quarantine email resources, such as Internet mail and other messaging services, that may pose a security threat to Polo Ralph Lauren.

Polo Ralph Lauren managers are responsible for ensuring that this policy is disseminated to users, and that users are instructed to read and comply with the contents of this policy.

USAGE

1. The email system is provided at Polo Ralph Lauren's expense to Polo Ralph Lauren personnel to assist them in carrying out their day-to-day business. The email system must be used for business-related purposes only and users must treat all messages sent, received or stored in the email system as business messages.
2. Should personnel make incidental use of the email system to transmit personal messages, such messages must be treated no differently from other messages and, as such, Polo Ralph Lauren reserves the right to access, copy or delete all such messages for any purpose and to disclose them to any party deemed appropriate by Polo Ralph Lauren management. Additionally, personal use of email facilities must not:

- interfere with normal business activities;
 - involve any form of solicitation;
 - be associated with any for-profit outside business activity;
 - violate intellectual property rights, Company policies or other applicable laws;
 - be used for the exercise of the user's right to free speech;
 - be used to intimidate, harass, annoy or contain defamatory, disrespectful, hostile, abusive, obscene, or other inappropriate communications. This includes, but is not limited to, circulating chain letters or racist, inflammatory, or sexually oriented messages, images, or jokes. If any employee receives such materials, he/she should delete the communications immediately and should notify the sender not to send such materials in the future.; and
 - potentially embarrass Polo Ralph Lauren.
3. Electronic mail communications may best be regarded as a postcard rather than as a sealed letter. Disclosure may occur intentionally or inadvertently when an unauthorized user gains access to electronic messages. Disclosure may also occur when electronic mail messages are forwarded to unauthorized users, directed to the wrong recipient, or printed in a common area where others can read them. Unless it is encrypted, classified or sensitive information must not be sent via electronic mail (email) facilities. The Polo Ralph Lauren email user must utilize encryption methodology and procedures approved by the Chief Information Officer to protect such information while it is being transmitted via email systems.

4. Email facilities and electronic bulletin boards systems (BBS) must not be used as an open forum to discuss Polo Ralph Lauren business matters, such as organizational changes, or policy matters.
5. Where it chooses not to control the content of messages posted to an internal collaborative messaging environment it establishes or operates, Polo Ralph Lauren specifically disclaims any responsibility or liability for the contents of any message appearing in that environment. In this situation, Polo Ralph Lauren is not required to verify the correctness, accuracy, or validity of the information appearing on this system.
6. Comments that users post to an internal electronic mail system, collaborative messaging environment, or other electronic systems must not be deemed as formal statements issued by, or the official position of Polo Ralph Lauren.
7. Polo Ralph Lauren reserves the right to censor any data posted to its internal electronic mail system, collaborative messaging environment, or other electronic systems. Polo Ralph Lauren hereby notifies users of such facilities that the facilities are official Polo Ralph Lauren business systems, and not public forums, and as such do not provide free speech guarantees.
8. Polo Ralph Lauren prohibits email users from engaging in any communications which includes, but which is not limited to, transmission of defamatory, obscene, offensive or harassing messages; or messages that disclose confidential information without authorization.
9. The managers are responsible for transmitting new user requests for accounts and notifying the Information Security Department of employee or consultant transfers and terminations.
10. Users must obtain an authorized account and password from the Information Security Department in order to access email. The user should consider the account and password confidential and shall not share the account or password with any other person or leave the account open or unattended at any computer system.
11. Authorized users must not use an electronic mail account assigned to another individual to either send or receive messages. If there is a need to read another user's mail, such as in the case where a user is absent on leave, message forwarding and other facilities must be utilized instead.
12. Electronic mail communications, if allowed to accumulate on a server, can quickly consume the server's disk space and may cause system problems. Although deletion of unnecessary email communications is encouraged, users should refer to an approved record retention schedule for proper guidance regarding disposition of electronic mail communications.

PASSWORDS

Password rules will be enforced by the system whenever possible. Whenever a system, application or software package does not provide enforcement, users will be responsible to comply with the established standards.

1. Passwords must be a minimum of eight characters in length and must meet password complexity requirements. The password complexity option requires that passwords contain characters from at least three (3) of the following four (4) classes:
 - a. English Upper Case Letters (A, B, C, ... Z)
 - b. English Lower Case Letters (a, b, c, ... z)
 - c. Westernized Arabic Numerals (0, 1, 2, ... 9)
 - d. Non-alphanumeric ("Special characters") (e.g., punctuation symbols)
2. Passwords will be changed a minimum of every ninety (90) days.
3. After three (3) invalid login attempts the account will be suspended.
4. Passwords are confidential and personal. Users are not to share passwords with another person under any circumstances. Do not leave your password out for public view.
5. If an employee believes his/her password has been compromised, he/she should notify the Help Desk immediately and change the password.
6. Passwords will be encrypted when stored in a system file.

7. Security administrators and/or system managers will take steps to encrypt passwords for users accessing any Company system through a public network. Use of one-time password solutions is an acceptable alternative to encryption.
8. User passwords will not be viewed or retrievable in any manner by support personnel except under strictly controlled and guarded audit or network support conditions.
9. When a user forgets a password, security administrators and Help Desk personnel will replace it with one the user is forced to change at the next sign on. Passwords will be transmitted in a secure manner. Temporary passwords will be assigned in the format MMDDYYFL where "MMDDYY" is the date the password was changed, and "FL" is the first and last initial of the representative making the change.
10. New and replacement passwords will be communicated to the user either in person, through voice mail, or by call back to the user's office telephone.
11. When required to change a password users should not use passwords that were previously used.
12. Users should change their naming convention regularly. Users should not use names of people, places, or things that can be identified easily with users.

PRIVACY EXPECTATIONS

1. All email messages sent over Polo Ralph Lauren communications systems by users must be deemed to be the property of Polo Ralph Lauren and therefore not subject to expected privacy provisions. Authorized users of the email system must have no expectation of privacy associated with the information they store in or send through these systems, within the limits of the federal, state and local laws of the United States.
2. Notwithstanding this provision, authorized users must treat electronic mail messages as private information and must ensure that it is handled as a private and direct communication between a sender and a recipient.
3. To properly maintain and manage this property, Polo Ralph Lauren reserves the right to examine all data stored in or

transmitted by these systems. Such right must be given to a designated system administrator by the Chief Information Officer and must be for the purposes of:

- (a) conducting a properly initiated investigation of suspected misuse of Polo Ralph Lauren resources; or
- (b) disposal or reassignment of computer files belonging to an authorized user, when that user ceases to be an authorized user.
4. Where Polo Ralph Lauren provides computer-networking services for a third party, Polo Ralph Lauren must be deemed as providing communications services, not message protection services. Accordingly, Polo Ralph Lauren makes no assurances relating to the privacy of that information and assumes no responsibility for the disclosure of information placed on the network.

RECORDING AND RETENTION OF ELECTRONIC MAIL

1. Polo Ralph Lauren maintains a systematic process for the recording, retention, and destruction of electronic mail messages and accompanying logs. The process and the retention period is determined by the Company's Chief Information Officer.

Inbox:	60 days
Deleted Items:	5 days
Sent Items:	15 days
All others:	60 days
2. The destruction of both logs and the referenced electronic mail message must be deferred whenever legal notice is received or when the possibility exists that such material is required for imminent legal action.

EMAIL ADDRESS LISTS

1. Information regarding access to Polo Ralph Lauren's computer and communication systems, such as dial-up modem phone numbers and email address lists, must be considered confidential information. This information must not be posted to any external information source, listed in telephone directories, or otherwise made available to third parties without the prior written permission of the Chief Information Officer.

2. Polo Ralph Lauren must maintain an email address list, which may contain an entry for all authorized users or any individual or business who conducts business with or may be a resource to Polo Ralph Lauren. This list should be reviewed periodically and obsolete accounts deleted.
3. Polo Ralph Lauren restricts usage of Global Distribution Lists (GDLs) to prevent Polo Ralph Lauren from such attacks like message storms or unauthorized global messages. The GDLs should be only set on the organization level. If there is a need for special GDLs, the request should be approved on a case-by-case basis by the Information Security Department.
4. Polo Ralph Lauren limits the maximum number of recipients per message to 50, except authorized Company broadcast messages. This is essential to prevent Polo Ralph Lauren from such attacks like message storms or unauthorized global messages. If there is a need to circumvent this limit, the request should be approved on a case-by-case basis by the Information Security Department.

All Polo Ralph Lauren employees must report any alleged violation of these policies to the Information Security Department or the Fair Employment Practice Department.

All reports of alleged violations of this policy will be investigated on a case-by-case basis. During the course of the investigation, access privileges may be suspended. Violations of this policy may result in disciplinary action including, but not limited to: permanent loss of access privileges and/or termination of employment.

Interpretation, application, and possible modification of this policy shall be within the sole discretion of Polo Ralph Lauren. Questions about any issue arising under this policy should be directed to the Head of Information Security Department or Human Resources. Individual business groups within Polo Ralph Lauren reserve the right to add regulations to this policy, provided such regulations are more restrictive than and do not diminish from the original policy.

BLOGS & WEB POSTINGS

In accordance with applicable law, employees may not use web-posting sites, blogs, or other internet sites or places to disparage the Company or to discuss confidential information. This policy applies regardless of the computer or other device used to post

the message, and applies both during normal working hours and at all other times. It also applies regardless of whether the employee is working in a Company office or elsewhere.

Under no circumstances may an employee post by blogging any comments which are unlawfully discriminatory or harassing, or which reflect a lack of professional judgment as a Company employee.

This policy is not intended to restrict employees' lawful expressions of opinion other than those expressions of opinion which are negative or critical of the Company's business, its management or employees as that affects the Company's business, or the Company's products or services, unless such expressions are permitted by law.

Any violation of this policy can lead to disciplinary action, up to and including termination from employment.

EMAIL ETIQUETTE GUIDELINES

In addition to the above policy, employees should adhere to the following guidelines when communicating by email:

- Email to a client should follow the same formality as a business letter. It should be treated as a formal document with proper business standards being followed. Signature lines should follow business standards and not include graphics or other symbols other than the Company trademark/logo.
- Emails should be concise and to the point. Employees should avoid stringing long sentences together, not type in all caps and should check spelling, grammar and punctuation.
- Emoticons and other symbols, other than the Company trademark, are usually inappropriate for email communications. The Company reserves the right to limit the use of emoticons and other graphics not indigenous to the standard Outlook graphics.
- Use the "reply to all" function only if each person who received the original message must read the reply.
- Do not reply to spam messages, since that will confirm that an email address is valid.
- Do not forward chain letters since these may carry viruses.

USE OF THE INTERNET

While accessing information on the Internet, employees should protect the Company's computing resources. There is a vast amount of information available on the Internet. And while very useful, the Internet also stores and disseminates destructive and, in some cases, illegal material.

Due to these security and network integrity concerns, users of the Company's systems and services are forbidden from browsing or downloading any information from the Internet, especially information that has the potential to cause damage to the Company's network or hardware, including damage resulting from viruses.

Additionally, the Company holds individuals personally responsible for browsing or downloading any information not directly related to their job and/or the Company's business. This is particularly relevant for materials that could be considered offensive by anyone. Where any doubt exists, the Company's systems and services should not be used for personal communications.

USE OF CORPORATE EMAIL ACCOUNTS

The Company accepts personal use of corporate email accounts insofar as it does not impair personal productivity, impugn the Company's reputation, cause damage to the Company's networks or hardware, expose the Company's network or systems to viruses, or violate any Company policies.

So-called "spam" must never be sent using the Company's email accounts. Spam is unsolicited email sent usually to large mailing lists for non-business purposes.

Additionally, employees must not use Company email accounts to initiate or perpetuate "chain" email. Attachments to these emails routinely contain viruses that spread from one computer to another.

Therefore, take extreme caution when receiving emails that appear to suggest anything other than legitimacy. It is impossible to describe or define the precise appearance of an attachment that contains a virus. Employees will need to use good judgment or, alternatively, seek advice from the Company's Information Security Department. Avoid registering a Company email account on external mailing lists for anything other than business purposes. These dubious lists could invite unsolicited "junk" emails, resulting in congestion on the Company's internal networks.

Before using email services for communicating privacy-marked information, the sender must make every effort to lessen the sensitivity of the message. Determine whether the benefits of email outweigh the risks of unauthorized disclosure, and accept responsibility for running the risk of unauthorized disclosure.

It is important that our Company employees understand that the Company considers individual items of email, even if stored in private folders, as "company records." In addition to being reviewed by the Company, these documents may be subject to search by authorized external bodies (e.g., courts), and/or disclosed to third parties.

SOFTWARE AND DATA HELD ON POLO RALPH LAUREN COMPUTERS

Company employees must not use unlicensed software on a computer owned or operated by the Company. When possible, protect documents with the built-in password facilities supplied with the software, such as MS Word, Excel, etc. This provides a low-level of protection, but prevents any casual attempt to view the documents.

Employees are encouraged to make use of "power-on" and "screen saver" passwords. This too provides only low-level protection, but increases the difficulty to access the files of an unattended computer.

Refrain from using personal storage media or software on Company-owned computers, systems, or applications. Using personal software or storage media may introduce viruses into the Company network and systems. In addition, this may put the Company at risk with regard to the infringement of copyright laws. Introducing computer viruses to a Company-owned computer system or application may result in appropriate disciplinary action.

VIRUS AND EMAIL WARNINGS

Employees will, at some time, receive unsolicited emails that may contain viruses and chain emails, etc. Disguised as virus/email warnings, these alerts encourage people to read them. To ensure that employees receive only legitimate warning information from reliable sources, these messages will be sent from the Company Help Desk, or occasionally from the Information Security Department. Treat other messages with the utmost caution.



X: YOUR PAY

WHEN YOU ARE PAID

Employees regularly receive their pay bi-weekly on Fridays.

For payroll purposes, each pay week begins at 12:01 a.m. on Sunday and continues through midnight of the following Saturday. If the normal payday falls on a Polo Ralph Lauren holiday, paychecks will be distributed one working day prior to the aforementioned schedule.

HOW YOU ARE PAID

It is the employee's responsibility to clock in and out properly. Employees are only paid for hours logged in on the POS system. Failing to clock in appropriately may affect an employee's paycheck. Clock in errors cannot be reconciled until the next pay period. Regular commissions and overtime earned will be paid in the bi-monthly paycheck following the transaction.

Exempt employees are not eligible for overtime. Non-exempt employees are eligible for overtime and are paid for the hours worked through the previous two weeks. Commissioned employees are subject to special rules and procedures in accordance with applicable law and should contact their human resources representative for further details.

The Company pays every employee by check unless he/she chooses to deposit his/her salary directly into a designated bank account. Managers will distribute the check or direct deposit statement every other Friday. The manager will hold the check/direct deposit confirmation for up to five days if an employee is absent on a payday. After the fifth day, the check/direct deposit confirmation will be returned to Payroll with an explanation as to why the check could not be delivered.

If an employee wishes to be paid by direct deposit, then he/she should obtain a Request for Direct Deposit Banking form from the Payroll Department and return the completed form to them. Allow at least two pay periods for the service to begin.

PAYCHECK DEDUCTIONS

All required deductions such as federal, state and local taxes, and all authorized voluntary deductions, such as health insurance contributions, will be withheld automatically from your paycheck. If applicable, deductions for 401(k) and flexible spending accounts will be taken proportionately from each bi-weekly paycheck.

It is the Company's policy to comply with the salary basis requirements of the Fair Labor Standards Act ("FLSA"). Therefore, all Company managers are prohibited from making any improper deductions from the salaries of exempt employees. Any deductions that violate the FLSA are also prohibited.

What to Do if an Improper Deduction or Overpayment Occurs

Employees who believe that an improper deduction or overpayment has been made from or to their salary should immediately report this information to their direct supervisor or to Human Resources.

Reports of improper deductions will be promptly investigated. If it is determined that an improper deduction has occurred, employees will be promptly reimbursed for any improper deduction made.

In cases of improper overpayments, employees are required to promptly repay the Company in the amount of overpayment. Failure to do so may result in disciplinary action, up to and including termination of employment and also incur additional legal remedies. In accordance with applicable law, the Company reserves the right to deduct the amount of overpayment from an employee's paycheck.

Problems with Your Paycheck

Employees should review their direct deposit statements or paycheck stubs upon receipt. If you believe a mistake or improper deduction has been made, report it to your supervisor, Human

Resources or the Payroll Department immediately. If it is determined that a mistake or improper deduction has occurred it will be corrected and, if necessary, employees will be promptly reimbursed.

If your paycheck is lost or stolen, you must notify the Payroll Department immediately. Unfortunately, the Company is unable to take responsibility for lost or stolen paychecks. If the Company is unable to stop payment on your check, you may be responsible for any loss.

RECORDING WORK HOURS

It is Polo Ralph Lauren's policy to collect and maintain accurate time records for employees. The law requires employers to keep time records for many jobs. Time records are also required for the administration of vacation, sick/personal days, and Family and Medical Leave.

For many employees, time records are required to generate the appropriate pay (including overtime pay for non-exempt employees). If you are a non-exempt employee, you are required to record all time actually worked in the appropriate place on your timesheet.

To ensure that accurate time records are kept, you must accurately complete a timesheet and forward it to your supervisor. Ensure that leave time taken is recorded appropriately and accurately. All overtime hours must be accurately reported, even if the overtime work was not authorized as required. Falsifying a timesheet or failing to report hours worked accurately is a breach of Company policy and is grounds for disciplinary action, up to and including termination.

If you are a non-exempt employee, you are not permitted to work overtime unless your manager has authorized the overtime work in advance. Working overtime without the express and advanced consent of your manager will result in disciplinary action, up to and including termination.

Your supervisor will attempt to provide you with reasonable notice when the need for overtime work arises. Please remember, however, that advance notice may not always be possible.

OVERTIME COMPENSATION

It is Polo Ralph Lauren's policy to pay non-exempt employees for all hours worked. Non-exempt employees are not allowed, nor can they be required by their supervisors, to work overtime without appropriate monetary compensation; there is no "comp time" option for overtime work.

Therefore, all non-exempt employees are required to indicate all hours actually worked in the POS system. No Polo Ralph Lauren employee, regardless of level or position, can require the working of uncompensated overtime by a non-exempt employee. Any employee found to have sought, encouraged, suggested, or required the working of uncompensated overtime by a non-exempt employee may be subject to disciplinary action, up to and including termination of employment.

If you are non-exempt, you will normally receive payment for overtime with your paycheck that covers the period worked. To avoid delays, your timesheet has to be prepared properly, approved by your supervisor, and forwarded to Payroll for processing in a timely manner.

Commissioned employees are subject to special rules and procedures in accordance with applicable law and should contact their human resources representative for further details.

WORKING ON COMPANY-OBSERVED HOLIDAYS

In certain jobs, employees may be required to work on a Company-observed Holiday.

If you are a non-exempt employee who works on a Company Holiday, you are paid time and one-half for hours worked on the holiday in addition to the holiday pay.

Exempt employees who work during a holiday may, in the Company's sole discretion, be able to schedule an alternate day off subject to business requirements. The Company may require that this alternate day be used within a specified time frame in accordance with business needs.

* Commissioned employees are subject to special rules and procedures in accordance with applicable law and should contact their human resources representative for further details.

GARNISHMENTS AND SUPPORT ORDERS

Polo Ralph Lauren will comply with all valid claims against the wages of employees. If a wage garnishment, child support order, or some other legally valid claim against your wages has been issued to Polo Ralph Lauren, the court or agency that issued the garnishment or support order should notify you about the amount and other details.

While you may attempt to work out your financial difficulties with your creditor in such situations, Polo Ralph Lauren will be required by law to comply with the provisions of the garnishment notice or order, as soon as practical after it is received. Only the receipt of another court order can modify or stop the garnishment process.

CHANGE IN STATUS

The Payroll Department must be advised of any change in their personal status (including but not limited, to address, telephone number, benefit eligibility or beneficiary designations) within 10 days of the change. Employees should consult the Benefits Department for changes in beneficiary designations or benefits status, particularly when there is a change to marital status or family structure.



XI: BENEFITS

YOUR POLO RALPH LAUREN BENEFITS PROGRAM

Our comprehensive benefits program is designed to provide employees and family members with the types of coverage needed. Our plans are both flexible and affordable.

Regular full-time employees are automatically enrolled in the following plans:

- Basic Life Insurance
- Basic Accidental Death and Dismemberment
- Travel Accident Insurance
- Basic Short-Term Disability
- Basic Long-Term Disability
- Employee Assistance Program
- Vision Discount Program

Regular full-time employees may choose from the following options:

- Medical Insurance
- Dental Insurance
- Voluntary Life Insurance
- Voluntary Short-Term Disability
- Voluntary Long-Term Disability
- Health Care Spending Account
- Dependent Care Spending Account

More detail on each of the above listed benefit plans is available in the Benefits package mailed to each employee and on Polo Express, the Company's intranet. For further information, please contact the Benefits Department.

RETIREMENT SAVINGS PLAN (401(K))

The Retirement Savings Plan is available to all employees. It makes savings for retirement a simple process. Contributions are made on a pre-tax basis (up to the maximum allowed by law) and there is a company match for those who meet the criteria for a matching contribution.

Upon employment, employees will be mailed an enrollment kit by our third-party administrator. More detail regarding the plan is available through the Summary Plan Description or from the Benefits Department.

EMPLOYEE ASSISTANCE PROGRAM

The Employee Assistance Program (EAP) is a voluntary, confidential counseling and referral service. It is designed to assist full-time employees and their families who are encountering personal problems. The Company has engaged the services of Lifecare, an organization of trained professionals. They may be contacted 24 hours a day at 1-800-873-4636 or via the internet at lifecare.com. Experienced EAP counselors assist individuals with a variety of personal problems and concerns, such as the following:

- Child Care & Parenting — Care options, centers, in-home care, child safety, parenting resources, adoption, pregnancy, breastfeeding, etc.
- Adult Care & Aging — Short- and long-term care options, care-giving resources, retirement, etc.
- Health & Wellness — Exercise programs, weight loss, nutrition, safety, etc.

- Emotional Wellbeing – Family relationships, divorce, conflicts, depression, stress, addictions, etc. Plus, employees are eligible for three face-to-face counseling sessions per year when needed.
- Financial/Legal – Free attorney consultations on up to three new legal topics per year and free telephonic consultations with financial counselors to assist with budgeting, collections, bankruptcy, credit repair, and debt consolidation.
- Daily Needs – Home improvement, pet care, relocation, travel, time/street management, etc.
- Education – Pre-K to college, financial aid, scholarships, special needs programs, etc.

SHOPPING DISCOUNTS/PERSONALS

To allow all employees access to the Company's wide range of product lines, there are shopping periods scheduled at selected times during the year that offer employees an additional discount at all Polo Retail Corporation (PRC) locations. Employees should bring a Company-issued photo identification card or pay stub (or provide some other proof of employment) to verify employment. Specific instructions for these events will be posted at that time.

At any time, every employee (other than FSC store employees, see below for details) receives a 30% discount at our Polo Ralph Lauren Factory Store Concepts (FSC) stores. Polo limits discounts to include eligible employees, their spouses, domestic partners, or dependent children. Employees must be present at the time of purchase.

Each year, as an opportunity to expand the Company's discount policy, "Employee Shopping Days" are scheduled in the FSC stores to include extended family members and friends. For each event, employees will receive a booklet of coupons, each entitling the bearer to a percentage discount at all FSC locations. Employees are encouraged to keep one coupon for their personal use and distribute the remaining coupons to family and friends. To receive the discount, it is not necessary for employees to accompany coupon bearers. Event dates will be scheduled throughout the year and employees will be notified in advance.

EMPLOYEE DISCOUNT PRIVILEGES

Polo Retail Corporation (PRC) employees:

PRC store employees, and those qualifying as PRC Corporate office employees, will receive a 65% discount on full-price merchandise only in PRC stores on their wardrobe items. This discount is only applicable on merchandise purchased from Polo Ralph Lauren Retail stores, and is not applicable to purchases from Polo.com or other retailers carrying Polo Ralph Lauren merchandise. The same group receives a 40% discount on non-wardrobe items.

Factory Stores Concepts (FSC) store employees:

FSC store employees receive a 40% discount in all FSC stores.

During "Employee Shopping Days," FSC store employees will receive one higher-value discount coupon for their personal use, inside the booklet of discount coupons distributed to all employees for friends and family.

GENERAL GUIDELINES ON DISCOUNT PRIVILEGES

Polo offers an employee discount to every eligible employee, his/her spouse or domestic partner (as defined in the Company Benefits Plan), and the employee's legal dependents. Employees must be present at the time of purchase. An employee should always identify himself/herself as such when shopping at a Company store. Also, when shopping at a Company store, an employee has the responsibility to shop in a manner that avoids excessive returns.

Ralph Lauren Media employees receive the same discount benefits as Corporate PRL employees.

Club Monaco employees do not receive a discount in any Polo Ralph Lauren stores.

Polo Ralph Lauren employees do not receive a discount in Club Monaco Stores.

This is subject to change at the discretion of Senior Management. For information on Personals or Licensee purchases, employees should see their General Manager or Store Manager for details. Personals are non-returnable to PRC or FSC stores.

The distribution, trade or sale of Company-issued coupons or discount codes done not in accordance with Company guidelines is prohibited. Employees who violate or abuse their discount privilege will be subject to discipline, up to and including termination of employment. Employees who purchase items for themselves or on behalf of others for resale or distribution through non-authorized vendors or through the internet may be subject to disciplinary actions, up to and including termination of employment.



XII: TIME OFF

EMPLOYEE STATUS DEFINITIONS

Throughout this book the terms full-time, part-time, regular, and temporary are used. These terms are outlined below:

Full-time: An employee who works 30 or more hours per week.

Part-time: An employee who works less than 30 hours per week on a consistent basis.

Regular: A full-time or part-time employee who works on a consistent basis every week with no break in service for any period of time.

Temporary: A full-time or part-time employee who signs an agreement to work for a temporary period of time. Or, an employee who works on an "as needed" or "as available" basis during sale periods, vacations, holidays, and when additional staffing needs occur.

Administrative Support with one to four years of service are eligible for two weeks of vacation annually. During the first fiscal year of their employment, employees accrue two days starting in the fourth month of employment and one day each month following, for a total of up to ten days in the first year. Based on the month in which employment begins, employees will receive the following number of vacation days during the first fiscal year of employment:

April	=	10 days	Oct.	=	4 days
May	=	9 days	Nov.	=	3 days
June	=	8 days	Dec.	=	2 days
July	=	7 days	Jan.	=	None
Aug.	=	6 days	Feb.	=	None
Sept.	=	5 days	Mar.	=	None

Beginning in the second fiscal year of their employment, vacation accrues as follows: one week beginning August 1 and a second week beginning October 1.

VACATION

Vacation time accruals correspond to the Company's fiscal year i.e., April 1 – March 31 of a given year. Employees who are hired after December 31 will not be entitled to vacation time during the current fiscal year and will start accruing vacation at the start of the next fiscal year (i.e., April 1).

The Company bases the amount of accrued vacation time on an employee's level and years of service with Polo Ralph Lauren. If a holiday falls during vacation, the time will not count against an employee's vacation time. The following sets forth the vacation entitlements for regular full-time employees:

- *General Managers/Store Managers, Senior Managers, Coordinators, Sales Associates, and Administrative Support*
General Managers/Store Managers, Sales Associates and

Employees with five to nine years of service during the current fiscal year are eligible for three weeks of vacation annually, accrued as follows: one week beginning August 1, a second week beginning October 1, and a third week beginning January 1.

Employees with ten or more years of service during the current fiscal year receive four weeks of vacation annually, accrued as follows: one week beginning August 1, a second week beginning October 1, and a third and fourth week beginning January 1.

Employees who are hired after December 31 will not be entitled to vacation days for the current fiscal year.

• *Director Level and above*

Directors are eligible for three weeks of vacation annually. During the first fiscal year of their employment, they will accrue one week starting in the fourth month of employment, a second week in the sixth month of employment, and a third week in the ninth month of employment.

Beginning in the second fiscal year of their employment, vacation accrues as follows: one week beginning August 1, a second week beginning October 1, and a third week beginning January 1.

Employees with ten or more years of service during the current fiscal year receive four weeks vacation, accrued as follows: one week beginning August 1, a second week beginning October 1, and a third and fourth week beginning January 1.

CONDITIONS

1. Allotment refers to the maximum amount of vacation an employee can accrue during a fiscal year. Accrual refers to earning a portion of annual allotment.

<i>Annual Allotment</i>	<i>Accrual Rate</i>	<i>Effective Date</i>
Two weeks	First week	August 1
	Second week	October 1
Three weeks	First week	August 1
	Second week	October 1
	Third week	January 1
Four weeks	First week	August 1
	Second week	October 1
	Third and fourth week	January 1

2. Managers may approve use of annual allotment prior to the accrual of the allotment (with a maximum of no more than half of the allotted amount).
3. For regular full-time employees with a varying number of working hours, a week will equal the average hours worked per week for the prior fiscal year.
4. Employees leaving the Company will be compensated for any unused accrued vacation in accordance with applicable law.

Employees in California and Illinois should contact their Human Resources representative for further information on vacation accrual for their particular state.

5. If an employee leaves the Company before the days he/she has taken have accrued, the Company may require that the employee reimburse un-accrued time.
6. Part-time employees are subject to different vacation policies and should consult with Human Resources to determine if they are entitled to any vacation time and the amount of vacation if applicable.

Determining Years of Service

Employees who were rehired by the Company after their employment had been terminated or after they had resigned will not receive credit for years of service prior to their separation, unless the time between separation and rehire was less than thirty days.

For employees whose anniversary date occurs prior to October 1 and who are entitled to receive an extra week of vacation upon reaching their anniversary date, they will receive that extra week in the current fiscal year, in accordance with the above guidelines. Employees whose anniversary date occurs on or after October 1st will not receive any additional weeks of vacation until the next fiscal year.

Scheduling

The Company understands that personal convenience is a factor when selecting vacation days. Whenever possible, the Company will honor an employee's request. However, an employee should provide as much advance notice as possible. At a minimum, a request should be made at least two weeks in advance. Unless applicable law requires otherwise, accrued vacation should be used within the fiscal year; any vacation time accrued and unused in excess of one week will be forfeited at the end of the fiscal year. Employees may carry over one week of unused vacation time through the first quarter of the next fiscal year, to be used by the end of June, or that vacation time will be forfeited, unless applicable law requires otherwise.

** Note that pursuant to applicable law, employees in California and Illinois may carry over unused vacation time into the next fiscal year. However, once an employee has accrued one and one-half times his/her annual vacation allotment, no further vacation time shall accrue until the employee takes vacation, and the level of accrued vacation falls below the maximum accrual. Employees in California and Illinois should contact their Human Resources representative for further information about vacation accrual for their particular state.

To make a vacation request, an employee should obtain a Request for Time Off/Vacation Day form from his/her manager and submit it for approval. During peak vacation times, the Company expects more employees to request vacations than it can accommodate. The Company may not be able to approve all vacation requests. Also, peak business periods may preclude vacations inconvenient for the Company.

HOLIDAYS

Polo Ralph Lauren observes the following holidays:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

The Company reserves the right to modify its holiday schedule at any time and to schedule work on an observed holiday if necessary.

Hourly Non-Commissioned Employees

Full-time employees with at least 30 days of service will receive holiday pay (their normal base pay) for the holidays listed above.

If the store is open on any of the holidays listed, all full-time hourly employees scheduled to work will receive time and one-half for the hours they work as holiday compensation unless applicable law requires otherwise. Those full-time employees (with at least 30 days of service) who are not scheduled to work will receive holiday pay as outlined above.

Salaried Non-Commissioned Employees

Salaried employees, with at least 30 days of service, will receive holiday pay for the holidays listed.

If the store is open on any of the holidays listed, all salaried employees scheduled to work will receive one paid day off to be taken within four weeks following the worked holiday.

Part-Time Non-Commissioned Employees

Part-time employees are eligible to receive holiday pay only when they work the actual holiday. In PRC stores a part-time employee's daily pay rate is determined by their average number of hours worked per week. In FSC stores, part-time employees are paid time and one half their regular rate for hours worked on the holiday.

Commissioned Employees

Commissioned employees must be full-time to receive holiday pay. Whether commissioned employees receive their base rate or time and one-half their base rate as holiday pay will depend on the type of commission they earn. Employees with questions about their holiday pay should contact Human Resources for further details.

NOTES:

In PRC stores, eligible employees must work the first scheduled day before and the last scheduled day after the holiday in order to receive holiday pay. Pre-approved vacation and personal time scheduled in advance is the only exception to this policy.

If a full-time employee's day off falls on a holiday listed, he/she will be given holiday pay for the day and an additional day off during the week, to be scheduled by the manager.

PERSONAL/SICK DAYS

In the best interest of the employee, and in the best interest of the Company, employees are encouraged to stay home when they are ill. The employee will recover sooner and will not expose other employees to possible illness. When absence due to illness seems imminent, he/she should contact the appropriate manager as soon as possible.

The Company also realizes that there will be days when employees need to be absent for religious, political or other personal reasons. For such personal days, employees should provide as much advance notice as possible. The Company reserves the right to refuse an employee's request for a personal day due to business needs.

For these purposes, Polo allows full-time employees up to six, paid personal/sick days per fiscal year. New employees accrue these days at a rate of 1/2 of a day per month worked during the first fiscal year. Beginning in the second fiscal year of employment, employees accrue their six personal/sick days at the start of the fiscal year. Personal days should be requested at least 48 hours in advance. Unless applicable state law requires otherwise, unused personal/sick days may not be carried over from one year to the next. The Company will not compensate for unused personal/sick

days under any circumstances, unless required by applicable law. In the event of a long-term illness or prolonged injury, an employee may be eligible for short- or long-term disability.

The Company pays full-time employees a regular salary during sick days and pays part-time employees according to the number of hours per week typically worked. In the PRC stores, a part-time employee's personal/sick day allotment is determined by using the following formula: Average hours worked per week times 120% = actual number of personal/sick time hours per fiscal year. For example, if an employee works 20 hours per week, the formula would be applied as follows: 20 hours x 120% = 24 hours of sick/personal time.

In the FSC stores, part-time employees are not entitled to any personal/sick days.

Those who remain sick for more than two consecutive days may be required to provide a doctor's note upon return to work.

** Note that employees in San Francisco should contact their Human Resources representative for further information about the number of sick days available to them.



XIII: FAMILY AND MEDICAL LEAVE ACT (FMLA)

The Family and Medical Leave Act (FMLA) provides eligible employees with up to 12 workweeks of unpaid leave for certain family and medical reasons during a 12-month period. During this leave, an eligible employee is entitled to continued group health plan coverage as if the employee had continued to work. At the conclusion of the leave, subject to some exceptions, an employee generally has a right to return to the same or to an equivalent position.

Employee Eligibility Criteria

To be eligible for FMLA leave, an employee must have been employed by the Company for at least a year and for at least 1,250 hours during the 12-month period immediately preceding the commencement of the leave.

Events That May Entitle an Employee to FMLA Leave

FMLA leave may be taken for any one or for a combination of the following reasons:

- the birth of the employee's child or to care for the newborn child;
- the placement of a child with the employee for adoption or foster care or to care for the newly placed child;
- to care for the employee's spouse, child, or parent (but not in-law) with a serious health condition; and/or
- the employee's own serious health condition that makes the employee unable to perform one or more of the essential functions of his/her job.

A "serious health condition" is an injury, illness, impairment, or physical or mental condition that involves inpatient care or continuing treatment by a health-care provider.

How Much FMLA Leave May be Taken

An eligible employee is entitled to up to 12 workweeks of unpaid leave during a 12-month period for any FMLA qualifying reason(s). The 12-month period immediately preceding the commencement of your leave is used to calculate the amount of FMLA leave available to you.

Limitations on FMLA Leave

Leave to care for a newborn or for a newly placed child must conclude within 12 months after the birth or placement of the child.

While employed by the Company, both spouses are entitled to a combined total of 12 workweeks of FMLA leave. This falls within the designated 12-month period for the birth, adoption, or foster-care placement of a child with the employees, for after-care of the newborn or newly placed child, and to care for a parent (but not in-law) with a serious health condition. Each spouse may be entitled to additional FMLA leave for other FMLA qualifying reasons (i.e., the difference between the individual leave for any of the reasons above and 12 workweeks, but not more than a total of 12 workweeks per person).

For example, if each spouse took six weeks of leave to care for a newborn child, each could later use an additional six weeks, due to his or her own serious health condition or to care for a child with a serious health condition.

Intermittent or Reduced Work Schedule Leave

Intermittent leave is leave taken in separate blocks of time. A reduced work schedule leave is a schedule that reduces an employee's usual number of hours per workweek or hours per workday.

Leave to care for a newborn or for a newly placed child may not be taken intermittently or on a reduced work schedule unless the Company specifically agrees with respect to an individual leave request.

Leave due to an employee's own serious health condition or to care for an employee's spouse, child or parent with a serious health condition, may be taken all at once or, where medically necessary, intermittently or on a reduced work schedule.

If an employee takes leave intermittently or on a reduced work schedule basis, then the employee must, when requested, attempt to schedule a leave that does not disrupt operations of the Company. When an employee takes intermittent or reduced work schedule leave for planned medical treatment, the Company may temporarily transfer the employee to an alternative position. For the qualified employee, this would include equivalent pay and benefits that better accommodate recurring periods of leave.

Requests for FMLA Leave

An employee should request FMLA leave by completing the Employer's Request for Leave form and submitting it to the Human Resources Department.

When leave is imminent for childbirth, placement of a child, or planned medical treatment for an employee's or a family member's serious health condition, the employee must provide the Company with at least 30 days advance notice, or such shorter notice as is practicable (i.e., within one or two business days of learning of the need for the leave).

Required Documentation

When leave is taken to care for a family member, the Company may require the employee to provide documentation or a statement of family relationship (e.g., birth certificate or court document).

An employee may be required to submit medical certification from a health-care provider to support a request for FMLA leave for the employee's or a family member's serious health condition. Medical certification forms are available from the Human Resources Department.

If the Company has reason to doubt the employee's initial certification, the Company may: (i) with the employee's permission, have a designated health-care provider contact the employee's

health-care provider in an effort to clarify or authenticate the initial certification; and/or (ii) require the employee to obtain a second opinion by an independent provider, designated by the Company and at the Company's expense. If the initial and second certifications differ, then the Company, at its expense, may require the employee to obtain a third, final, and binding certification from a jointly selected health-care provider.

During FMLA leave, the Company may request that an employee provides re-certification of a serious health condition at intervals in accordance with the FMLA. In addition, during FMLA leave, the employee must provide the Company with periodic reports regarding the employee's status and intent to return to work. If the employee's anticipated return to work date changes, and it becomes necessary for the employee to take more or less leave than originally anticipated, the employee must provide the Company with reasonable notice (i.e., within two business days) of the changed circumstances and new return to work date. If the employee gives the Company notice of his/her intent not to return to work, then the Company will accept this as the employee's voluntary resignation.

Before the employee returns to work from FMLA leave for the employee's own serious health condition, the individual may be required to submit a fitness for duty certification from the employee's health-care provider, with respect to the condition for which the leave was taken, stating that the employee is able to resume work. FMLA leave or return to work may be delayed or denied if the appropriate documentation is not provided in a timely manner. Also, a failure to provide requested documentation of the reason for an absence from work may lead to dismissal.

Use of Paid and Unpaid Leave

FMLA provides eligible employees with up to 12 workweeks of unpaid leave. In accordance with applicable law, if an employee has accrued paid leave (e.g., vacation, sick leave, personal leave), then the employer will require that the employee use any qualifying paid leave first. "Qualifying paid leave" is leave that would otherwise be available to the employee for the purpose which the FMLA leave is taken. The remainder of the 12 workweeks of leave, if any, will be unpaid FMLA leave. In accordance with applicable law, any paid leave used for an FMLA qualifying reason will be charged against an employee's entitlement to FMLA leave. This includes leave for disability or workers'

compensation injury/illness, provided that the leave meets FMLA requirements.

Designation of Leave

The Company may provisionally designate an employee's leave as FMLA leave if the Company has not received medical certification or has not otherwise been able to confirm that the employee's leave qualifies as FMLA leave. If the employee has not notified the Company of the reason for the leave, and the employee desires that leave to be counted as FMLA leave, the employee must notify the Human Resources Department within two business days of the employee's return to work that the leave was for an FMLA reason.

Maintenance of Health Benefits

During FMLA leave, an employee is entitled to continued group health plan coverage under the same conditions as if the employee had continued to work.

To the extent that an employee's FMLA leave is paid, the employee's portion of health insurance premiums will be deducted from the employee's salary. For the portion of unpaid FMLA leave, the employee's portion of health insurance premiums may be paid at the same time, as if made by payroll deduction, or paid in accordance with the Company's rules for leave without pay, or paid pursuant to a system voluntarily agreed to by the Company and the employee.

If the employee's payment of health insurance premiums is more than 30 days late, the Company may discontinue health insurance coverage upon notice to the employee.

Vacation/Sick/Personal Leave Accrual

While on FMLA leave, employees do not accrue vacation or personal/sick leave.

Return from FMLA Leave

Upon return from FMLA leave, the Company will place the employee in the same position the employee held before the leave or an equivalent position with equivalent pay, benefits, and other employment terms.

Limitations on Reinstatement

An employee is entitled to reinstatement only if he/she would have continued to be employed had FMLA leave not been taken. Thus, an employee is not entitled to reinstatement if, because of a layoff, reduction in workforce, or other reason, the employee would not be employed at the time job restoration is sought.

The Company reserves the right to deny reinstatement to salaried, eligible employees who are among the highest paid 10% of the Company's employees employed within 75 miles of the worksite ("key employees") if such denial is necessary to prevent substantial and grievous economic injury to the Company's operations.

Failure to Return to Work Following FMLA Leave

If the employee does not return to work following the conclusion of FMLA leave, Polo will conclude that the employee resigned voluntarily. The Company may recover health insurance premiums that the Company paid on behalf of the employee during any unpaid FMLA leave, except that the Company's share of such premiums may not be recovered if the employee fails to return to work because of the employee's or a family member's serious health condition, or because of other circumstances beyond the employee's control. In such cases, the Company may require the employee to provide medical certification of the employee's or the family member's serious health condition.

Additional Information

For further information or clarification about FMLA leave, please contact the Human Resources Department.

NOTE:

Some states in which the Company does business have different leave laws. The FMLA does not supersede such laws that provide greater family or medical leave protection. Employees should contact their local Human Resources Department for more information on additional state leave laws.



XIV: TYPES OF LEAVE

PREGNANCY LEAVE OF ABSENCE

A pregnancy is treated in the same manner as any other short-term disability. Paid leave is available to regular full-time employees under the Company's short-term disability policy. Unpaid leave may be available under the federal Family and Medical Leave Act (FMLA) and in some cases, a more generous FMLA or other leave policy is available based on the state in which you work. See the section regarding FMLA for more complete information. If eligible for disability, an employee will be paid during the period in which her doctor and the Company's third-party disability administrator considers the employee unfit to work.

In order to collect disability benefits, an employee must contact the Benefits Department three weeks prior to the expected beginning of the leave of absence for appropriate paperwork. Requests will be approved on a case-by-case basis by the employee's supervisor and the Human Resources Department. Final approval is granted by the Benefits Department.

PARENTAL LEAVE

An employee may be eligible for up to 12 weeks parental leave due to the birth or adoption of a child subject to the Company's business needs. Paperwork similar to that used for FMLA leave is required before such leave of absence is approved. Such leave is available only to employees who do not already have 12 weeks of FMLA leave or other similar leave under applicable law. This leave is not meant to provide an additional 12 weeks of leave to an employee.

If the employee has any accrued personal/sick or vacation time, the employee will be required to use this time during the leave in accordance with applicable law.

If a regular full-time employee has been with the Company for two or more years, the Company allows payment for two weeks

of the parental leave entitlement. (These two weeks must be taken at the end of any disability benefit payment.)

Parental leave is offered at the Company's sole discretion and may be denied based on the employee's position or the needs of the business. Further, approval of parental leave does not guarantee that an employee's position will remain open upon the conclusion of the leave, unless required by applicable law.

CONTINUATION OF GROUP HEALTH COVERAGE

The Company will continue an employee's group health coverage during an employee's FMLA qualifying leave, unless an exception applies under the law. This statement is intended to comply with FMLA regulations, and will be interpreted solely by the Company. This is subject to the FMLA and its regulations, which shall govern in the event of an inconsistency. The U.S. Department of Labor may investigate and resolve complaints of violation of FMLA. Employees may legally sue to enforce their rights. In addition to rights under the FMLA, an employee may possess family or medical leave rights under the laws of New Jersey, California, and other states. The FMLA does not supersede such laws that provide greater family or medical leave protection. For further information, check with the Human Resources Department.

JURY/WITNESS DUTY

Polo will grant a leave of absence to any full-time or part-time employee who has been notified to serve for jury duty, to respond to a subpoena to testify in court, or to exercise his/her right as a victim of a crime or violation. During this leave, employees will be compensated by payment of an amount equal to the difference between their jury duty allowance and their regular salary for up to two weeks of their leave. All other time off for witness or jury duty will be unpaid unless applicable law requires other-

wise. An employee should notify his/her supervisor, as well as Human Resources, as soon as a jury notice is received. A copy of the notice to serve jury duty should be submitted to the employee's supervisor for inclusion with his/her attendance record. The Company expects an employee on jury duty to report to work any day he/she has been excused, unless applicable law requires otherwise. Upon return to work, an employee must notify Human Resources and must submit a Certificate of Jury Service indicating the number of days served. Time off for jury/witness duty will not decrease vacation accrual. However, unless applicable law requires otherwise, an employee must use his/her vacation time in the following situations:

- If an employee's presence in court is required as a plaintiff or defendant as part of a litigation unrelated to his/her job; or
- If an employee's presence is required in any litigation in which he/she is a plaintiff against the Company.

BEREAVEMENT LEAVE

If there is a death in an employee's family, he/she may request paid time off for the funeral and other arrangements. Employees receive five consecutive workdays of paid bereavement leave upon the death of an immediate family member (spouse, domestic partner, child, parent, or sibling). He/she will receive three consecutive workdays of paid bereavement leave upon the death of an extended family member (grandparent, grandchild, aunt, uncle, first cousin, niece, nephew, mother-in-law, father-in-law, sister-in-law, brother-in-law).

An employee should speak to his/her manager to discuss the appropriate amount of bereavement time. For other relatives who are not immediate or extended family members, employees may receive one day of paid bereavement leave. The Company may grant additional bereavement leave at its discretion.

Employees who do not work consecutive days will only receive paid bereavement leave for those days they are scheduled to work within the three or five-day period, as applicable

TERMINATION OF EMPLOYMENT

Unless applicable law and/or the Americans with Disabilities Act requires otherwise, the Company will terminate the employment of any employee who has not been actively employed with the Company

for more than six months continuously, regardless of whether the employee is receiving disability benefits or workers' compensation benefits. The Company may terminate the employment of employees who have not been actively employed for shorter periods of time depending on the needs of the business and applicable policies.

At all times an individual's employment continues to be "at will," which means that employment may be terminated by either the Company or by an employee at any time, with or without cause, and with or without notice, notwithstanding any other provision of this Handbook.

BREAK IN SERVICE/REHIRE

Employees who are rehired within thirty days of their termination date will be credited with their previous number of years of employment with the Company and will be entitled to all benefits, including vacation and sick time (subject to benefit plan provisions). No vacation or sick time will accrue, however, during the break in service, and eligibility for benefits will be subject to the same waiting periods that apply to new hires. If this policy is in conflict with plan documents, the plan documents will prevail.

MILITARY LEAVE

Employees performing duty in the military services of the United States, including the Armed Forces, the Army National Guard, the Air Guard, the Reserves, the Coast Guard, the Public Health Service, and any other category of uniformed service designated by the President of the United States in time of war or emergency, will be granted a military leave of absence. The length of the leave will vary upon each individual employee's need to complete the service time requirement, but in every case, will meet the minimum requirements of applicable federal and state laws.

Scope

All full- and part-time regular employees of the Company who are United States citizens or residents eligible for active military service within the branches of the United States military.

Definition

"Military Leave" is an absence from work granted to eligible employees to fulfill military service. There are three types of military service:

1. Voluntary Active Service — Service is defined as an absence due to an enlistment period that does not exceed five years of cumulative military duty.

2. National Guard Service – An absence to fulfill Reserve or National Guard initial active duty, annual service, or training obligations, generally a leave for two weeks (14 calendar days/10 workdays) or less.
3. National Emergency Service – Active military service where the employee is either drafted into the military due to war, other national emergency, or called to active service from the National Guard or other reserve status.

Military leave also includes any absence from work for examinations to determine an individual's fitness for any of the above types of duty.

Leave Notification

Employees must notify their immediate supervisor of their need for a military leave. This should be done as soon as the need for the leave is identified, unless military necessity precludes providing advance notice. If time permits, the employee is requested to complete a Leave of Absence Request form to document the dates for which the leave is requested. The Leave of Absence form should include a copy of the official orders if possible.

Compensation

VOLUNTARY ACTIVE SERVICE

As described below, eligible employees may continue to be compensated while on each leave of active military service. This payment will continue for up to a maximum of 30 days following the commencement date of the employee's active military service. After that point, military leave will be unpaid. Vacation time can be used to supplement military pay after the initial 30-day period, except as otherwise required by state law.

If base military pay is less than the employee's regular Company base pay, the employee will be paid the difference between his/her military pay and Company pay. Such compensation shall be based on the employee's customary salary, excluding bonuses or similar amounts in addition to pay. These amounts shall be paid in accordance with the Company's regular payroll schedule; such monies shall be paid in accordance with the employee's instructions in his/her personnel file.

To calculate the difference between pay, individuals must provide

military vouchers. Our Company treats pay to employees on military leave as wages and is subject to the normal Social Security, Medicare, federal, state, and local wage taxes.

Merit increase amounts and bonus amounts (where applicable) will be prorated to reflect the period of leave(s) for those that exceed 14 days.

NATIONAL GUARD SERVICE

Employees must notify Human Resources at the time of the leave application in regard to their pay status in the military. If the employee earns less in the military than normal, the Company will pay the difference between the military pay and the normal base salary. If the employee earns more in the military than at the Company, no differential will be paid. The duration of this differential lasts up to 14 calendar days, except as otherwise required by state law.

NATIONAL EMERGENCY SERVICE

With regard to their pay status in the military, employees must notify Human Resources at the time of the leave application. If the employee earns less in the military than normal, the Company will pay the difference. Compensation can continue for up to four weeks, except as required by state law.

Position Guarantee

An employee on a military leave of absence is guaranteed re-employment, according to the terms and conditions of the Uniformed Services Employment and Re-employment Rights Act of 1994 (USERRA) and applicable state law. Upon return from a military leave of absence, (and provided the employee notifies the Company of his/her intent to return to active employment within the time frame described below) the Company will reinstate the employee to his/her former position, if the length of military leave is less than 91 days, or the same or a similar position if the length of service is 91 days or more after commencement of the military leave. An employee released from active duty with a dishonorable or bad conduct discharge, or any other discharge that is not under honorable conditions, does not qualify for protection under USERRA.

Protection from Discharge

Employees rehired after a military leave of 181 days or more may not be discharged without cause for one year after the date of re-employment. An employee who is rehired after a

military leave of 30 days, but less than 181 days, may not be discharged without cause for a period of six months after the date of re-employment. Employees who are re-hired after military leave of less than 30 days are not protected from discharge without cause.

Benefits

ACTIVE SERVICE, NATIONAL GUARD LEAVE AND NATIONAL EMERGENCY SERVICE

To the extent permissible under the Company's respective Benefit Plan agreements, participation in the Benefit Plan of the Company will be continued on the same basis available during employment. This continues from the commencement date of an active military service and through the date of discharge. During this period, employees must maintain responsibility for paying their normal contribution toward the Benefit Plan.

MEDICAL AND DENTAL INSURANCE

Employees compensated by the Company during their leave will have such contributions deducted from their pay. Employees not compensated by the Company during any portion of their leave remain responsible for paying their normal contribution to such benefits on a monthly basis.

401(K) AND STOCK PURCHASE PLANS

Contributions to the 401(k) plan will cease for employees at the end of the four-week, supplemental pay period. During this time, employees who are eligible for incremental Company pay, in addition to military pay, may continue or end their contributions to the 401(k) plan. Employees who opt to stop their contributions will be able to re-enroll in the plan when they return from leave.

After an employee's return, he/she has up to three times the length of the military leave, not to exceed five years, to compensate for missed contributions. During that same period, the Company will match the employee's missed contributions, in accordance with the Company's plan.

SERVICE

Time spent on approved military leave counts toward continuous service eligibility in the 401(k) and vacation plans.

RETURN TO ACTIVE EMPLOYMENT

The length of time that an employee has to notify the Company of their intent to return to active employment is based on the length of time spent in military service, not the type of service. This is described in the following table:

<i>Length of Military Services</i>	<i>Deadlines to Provide Notice</i>
Less than 31 days	Next regularly scheduled work period on the first full day after release from service (taking into account safe travel home and an eight-hour rest period)
31 to 180 days	Within 14 days of release from service
181 days or more	Within 90 days of release from service

If reporting within the above time periods is impossible or unreasonable, due to no fault of the employee, then the employee must report back to work as soon as possible. If an employee has been hospitalized or is recovering from an injury sustained while serving, then these deadlines may extend for up to two years.

Required Documentation

If the Company requests it, an employee whose military service lasted for more than 30 days must provide documentation within two weeks of his/her return (unless such documentation does not yet exist or is not readily available). This paperwork would certify the length of military service, an honorable or general discharge, and a timely application for re-employment.

If an employee is a member of the United States Army, Navy, Air Force, Marines, Coast Guard, National Guard, or a member of the Reserves or Public Health Service and is ordered into active or reserve duty, then he/she will be granted a leave of absence and is entitled to re-employment in accordance with applicable law.

After receiving orders for active or reserve duty, the Company expects an employee to notify his/her supervisor and Human Resources immediately, submitting a copy of written orders.

At all times an individual's employment continues to be "at will," which means that employment may be terminated by either the Company or by an employee at any time, with or without cause, and with or without notice, notwithstanding any other provision of this Handbook.



XV: IF YOU LEAVE THE COMPANY

If employment with Polo Ralph Lauren ends, then an individual must attend to a number of arrangements before leaving.

Employees who plan to end their employment with Polo are expected to notify their supervisors in writing at least two weeks prior to their last day. Employees shall cooperate in the transition of their duties during this two-week period. Employees will not be allowed to use vacation or personal/sick days during this two-week period unless approved in advance by their supervisor. The Company reserves the right to terminate an individual's employment prior to the end of the two-week period.

WHEN YOU LEAVE POLO RALPH LAUREN

Ending employment with the Company will affect an employee's benefits in the following ways:

MEDICAL AND DENTAL PLAN

If you are covered for Medical and Dental insurance, it will end on the last day of the pay period during which you are employed. Under normal circumstances, you have the right to continue your medical and/or dental coverage because of the federal Consolidated Omnibus Budget Reconciliation Act of 1985 (commonly known as COBRA). COBRA continuation coverage can become available to you when you would otherwise lose your group health coverage. Federal law requires that most group health plans give employees and their families the opportunity to continue their health-care coverage when there is a "qualifying event" that would result in a loss of coverage under an employer's plan. Depending on the type of qualifying event, "qualified beneficiaries" can include the employee (or retired employee) covered under the group health plan, the covered employee's spouse (or domestic partner), and the dependent children of the covered employee. Continuation coverage is the same coverage that the Plan gives to other participants or beneficiaries under the Plan who are not receiving continuation coverage.

Each qualified beneficiary who elects continuation coverage will have the same rights under the Plan as other participants or beneficiaries covered under the Plan, including (if applicable to other participants or beneficiaries) open enrollment and special enrollment rights.

Within 30 days after receiving your final check, you will be provided details regarding the election of COBRA coverage. You must complete the necessary forms and return them to the COBRA administrator within 60 days of the date of the notice.

LIFE INSURANCE

Basic Life Insurance ends on an individual's last day of employment. An employee with life insurance may continue this coverage by paying the premium directly to the insurance company. Details will be provided by the Benefits Department upon request.

DISABILITY INSURANCE

Both short-term salary continuation and long-term disability insurance end on your last day of employment (provided you are not disabled at the time of your termination).

HEALTH CARE SPENDING ACCOUNT

If you are participating in the Health Care Spending Account benefit, you are able to submit claims against the funds for expenses incurred before the last day of your coverage (the last day of the pay period for which an employee is paid). By making after-tax contributions, you may keep your account open through COBRA. Any money left in your account at year-end will be forfeited.

DEPENDENT CARE SPENDING ACCOUNT

If you are participating in the Dependent Care Spending Account benefit, you may continue to submit claims against the funds in your account for expenses incurred before the last day of coverage (the last day of the pay period for which you are paid). By making after-

tax contributions, you may keep your account open through COBRA. Any money left in your account at year-end will be forfeited.

RETIREMENT SAVINGS PLAN (401(K))

T Rowe Price will provide you with information regarding the disposition of your 401(k) account. In general, if you are participating in the 401(k) plan and your vested account balance is greater than \$1,000, you have several choices: you may leave your account balance in the Plan up to age 70 – at which time you must begin taking at least a minimum distribution, you may roll your vested account balance into either your new employer's plan (if your new employer accepts rollovers) or an individual IRA. If your vested account balance is \$1,000 or less, you must make a decision within 60 days of leaving the Company as to whether or not you wish to take a distribution of your vested account balance or to roll your account balance over to either an individual IRA or your new employer's plan (if your new employer accepts rollovers).

VACATION, PERSONAL/SICK DAYS

You will be paid for any unused, accrued vacation time unless applicable state law requires otherwise. You are not paid for any unused personal/sick days unless required by applicable state law. If you take un-accrued vacation time prior to leaving the Company, the Company may require you to reimburse the Company for these vacation days in accordance with applicable state law.

SEVERANCE PAY PLAN

The Company has established a Severance Pay Plan. The "Plan" provides temporary and short-term severance benefits to certain employees of the Company and its participating affiliates who suffer a loss of employment under the terms and conditions set forth in the Plan. The Plan constitutes an employee welfare benefit plan under Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended. No exceptions to these terms and conditions are permitted, except in accordance with the amendment and dismissal procedures described in the Plan.

COMPANY DISCOUNT

Shopping discounts will end on the last day of an individual's employment.

RESIGNATION OR TERMINATION OF EMPLOYMENT

Employees desiring to terminate their employment relationship

with the Company are urged to notify the Company at least two weeks in advance of the intended termination. Such notice should be given in writing to the immediate manager.

SECURITY

An employee's keys, Company ID card, access card, Diners Club card, American Express Corporate card, and any other Company card in his/her possession must be returned to the employee's supervisor on his/her last day of work.

UNEMPLOYMENT

If an employee qualifies for unemployment benefits and remains unsure of the legal name of the Company that he/she worked for, call our Payroll department at (201) 531-6531. They will provide the proper name and identification number to help an employee process his/her claim.

PERSONALS

Personals orders placed before an employee's last day of active employment will be fulfilled. An employee will be notified when his/her order arrives to arrange for pickup. Payment is due upon receipt. No additional orders may be placed through the Personals Department after his/her last day of employment. Employees involved with the Special Purchase Program will continue to receive a monthly statement regarding his/her balance. It is the employee's responsibility to make this payment according to the plan's schedule.

WHAT ELSE YOU SHOULD KNOW

If employment with the Company ends, an employee should also know the following:

- **Company Records and Property** – Company records and property belong to the Company and may not be removed from the Company premises. The employee will be responsible for reimbursing the Company for any existing or future debts and other charges that may be incurred by the employee.
- **Final Pay** – If an employee's last day is a payday, then he/she will receive his/her check/pay stub at work as usual. If an employee's last workday is not a payday, then final payment will be mailed to the address that appears on the check/pay stub or as required by local law.



XVI: SOME FINAL WORDS

This Handbook presents highlights of the benefit plans and policies that apply to eligible employees of Polo Ralph Lauren Corporation.

Please remember that official documents govern these benefit plans and policies. This Handbook is not an official document. In the event of any conflict between official documents and this Handbook, the official documents will govern.

The Company reserves the right to change or discontinue any of its benefit plans or policies at any time, for any or all active and former employees on a leave of absence, with or without notice.

In addition, statements of Company policies, benefits, and regulations in this Handbook do not constitute the terms and conditions of an employment contract, either expressed or implied.



RECEIPT FOR EMPLOYEE HANDBOOK

I acknowledge that I have received a copy of the April 2007 Polo Ralph Lauren Handbook for retail employees of the Polo Ralph Lauren Corporation and certain subsidiaries and affiliates. I agree to read it thoroughly and to comply with its contents, including but not limited to the policies on Fair Employment, Anti-harassment, Code of Business Conduct and Ethics, Ownership of Intellectual Property, Outside Employment and Electronic Communications. I agree that if there is any policy that I do not understand, I will seek clarification from the Human Resources Department. *I understand that Polo Ralph Lauren is an "at will" employer and, as such, employment with Polo Ralph Lauren is not for a fixed term or definite period. Further, employment may be terminated at the will of either party, with or without cause and without prior notice.* In addition, I understand that this Handbook states the Company's policies and practices in effect on the date of publication. Also, that the policies and procedures contained herein supersede any and all prior practices, oral or written

representations and statements regarding the terms and conditions of my employment. I understand that nothing contained in the Handbook may be construed as creating a promise of future benefits or a binding contract with the Company, for benefits, or for any other purpose. I also understand that these policies and procedures are evaluated continually and may be amended, modified, or terminated at any time.

Please sign and date this receipt and return it to the Human Resources Department.

Signature: _____

Name: _____

Date: _____

EXHIBIT 14.

Golden Gate Reporting

1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN FRANCISCO DIVISION
4

5 ANN OTSUKA, an individual; JANIS No. C-07-02780-SI
6 KEEFE, an individual; CORINNE
7 PHIPPS, an individual; and
8 JUSTIN KISER, an individual;
9 individually and on behalf of
10 all others similarly situated,

11 Plaintiffs,
12 vs.

13 POLO RALPH LAUREN CORPORATION;
14 a Delaware Corporation; POLO
15 RETAIL, LLC, a Delaware Corporation;
16 POLO RALPH LAUREN CORPORATION, a
17 Delaware Corporation, doing business
18 in California as POLO RETAIL CORP;
19 FASHIONS OUTLET OF AMERICA, INC., a
20 Delaware Corporation and DOES 1-500,
21 inclusive,

22 Defendants.
23 /

24 DEPOSITION OF KIM LEE BABKA
25

26 DATE: March 7, 2008

27 TIME: 10:03 a.m.

28 LOCATION: Greenberg Traurig
29 1900 University Avenue
30 Fifth Floor
31 East Palo Alto, California

32 REPORTED BY: Mary E. Garland
33 Certified Shorthand Reporter
34 License Number 4721
35

Page 1

<p>1 A. I have seen an e-mail or a grid that might 2 show, by store, what materials they're getting. 3 Q. Was it a part of your duties, as either 4 regional director or district manager of California, to 5 ensure that Polo's policies and procedures were applied 6 consistently across the stores in California? 7 MR. GOINES: Objection. Overbroad. 8 THE WITNESS: Can you be specific in -- 9 Q. BY MR. KITCHIN: Okay. Let me break it down. 10 Was it included within your duties and 11 responsibilities, at any time since 2001, to make sure 12 that those stores within California that are on the draw 13 versus commission system have that program or policy 14 applied consistently from store to store? 15 A. It would be part of my responsibility, along 16 with human resources, as well, yes. 17 Q. And why is it important for you at Polo to have 18 the draw versus commission system applied consistently 19 across the stores in California to which it applied? 20 A. Well, because it's fair and consistent, and we 21 care about doing the right thing. 22 MR. KITCHIN: Let me show you a document that 23 begins Bates 864, that I don't believe we've previously 24 marked, that is the Polo Ralph Lauren sales associate 25 compensation handbook from September of 2006.</p> <p style="text-align: right;">Page 74</p>	<p>1 in, certainly, keeping all associates on the 90 days 2 otherwise. I don't know the other reasons. 3 Q. So the language that's at POLO 742, on page 4 4 of the manual, "Training Rate For New Hires," we know 5 that wasn't included in the prior manual that we looked 6 at, the 2004 manual. Was this one of the changes that 7 was instituted across all of the stores in California, 8 except for the Burlingame store? 9 A. As I recall, yes. 10 Q. On page 6 of the manual, which is Bates 744, 11 "Performance Improvement Coaching"? 12 A. Mm-hm. 13 Q. Under "Program," it reads, "Sales associates 14 are expected to sell enough to cover their base salary 15 on a consistent basis each pay period." 16 Did that policy apply to all sales associates, 17 except for the Burlingame store, in California in the 18 2005 time period? 19 A. I believe so. 20 Q. It's been Polo's expectation, at least since 21 the performance improvement coaching component of the 22 system was put into place, that sales associates were 23 expected to cover their base salary or hourly rate 24 whether they were subject to Arrears or not; is that 25 correct?</p> <p style="text-align: right;">Page 76</p>
<p>1 (Exhibit 67 marked for identification.) 2 Q. BY MR. KITCHIN: So before we get to Exhibit 67 3 -- I have them out of order here -- I'm going to show 4 you a document that was previously marked as Exhibit 30, 5 which is the Polo Retail Corporation sales associate 6 compensation handbook from July 2005. It begins Bates 7 739. Are you familiar with the July 2005 sales 8 associate compensation handbook? 9 A. I know of it. I would need to read it, just to 10 gain familiarity again. 11 Q. Take your time and just review it. I just have 12 a couple questions. 13 A. Okay. 14 Q. Are you familiar with this July 2005 handbook? 15 A. Yes. 16 Q. Do you know why this handbook was rolled out -- 17 let me ask a different question. Sorry. 18 Did this handbook replace the April 2004 sales 19 associate compensation handbook? 20 A. Yes, I believe it did. 21 Q. And do you know why this revision or amendment 22 was made in July of 2005? 23 A. I don't know the exact reason. I know that one 24 of the -- the expanded training program, in terms of 25 extending the Home associates to 180 days, was a change</p> <p style="text-align: right;">Page 75</p>	<p>1 A. Yes. 2 Q. And do you know whether this specific July 2005 3 compensation handbook was meant to be provided to all 4 sales associates at the full-price stores in California? 5 A. I believe so. 6 Q. And was it yours and/or Polo's objective that 7 the policies and procedures set out in this 2005 8 handbook were to be applied consistently to the stores 9 in California to which the policies applied? 10 A. Yes. 11 Q. Let's take a look at Exhibit 67, which is the 12 September 2006 compensation handbook, begins POLO 864. 13 Are you familiar with this 2006 handbook? 14 A. Yes. Again, I would need to, you know, read 15 through it. 16 Q. Sure. 17 A. But, yes. 18 Q. I'm going to have you look again, before we 19 move on to this, at Exhibit 8. 20 Bates 734, which is page 6 of the manual, under 21 "Overtime," there's this reference to the commission 22 reconciliation. Did you ever ask anyone, let's say, 23 prior to the year 2007, whether Polo was performing a 24 commission reconciliation? 25 A. I recall surfacing it at one point, when was it</p> <p style="text-align: right;">Page 77</p>

1 CERTIFICATION OF DEPOSITION OFFICER
2

3 I, MARY E. GARLAND, duly authorized to administer
4 oaths pursuant to Section 2093(b) of the California Code
5 of Civil Procedure, do hereby certify that the witness
6 in the foregoing deposition was duly sworn by me to
7 testify to the truth, the whole truth and nothing but
8 the truth in the within-entitled cause; that said
9 deposition was taken at the time and place therein
10 stated; that the testimony of said witness was
11 thereafter transcribed by means of computer-aided
12 transcription under my direction; that the foregoing is

13 a full, complete and true record of said testimony; and
14 that the witness was given an opportunity to read and
15 correct said deposition and to subscribe to the same.

16 I further certify that I am not of counsel or
17 attorney for either or any of the parties in the
18 foregoing deposition and caption named, nor in any way
19 interested in the outcome of the cause named in said
20 caption.

21 Executed March 19, 2008, at San Francisco,
22 California.

23 
24 MARY E. GARLAND, CSR 4721
25

EXHIBIT 15.

Golden Gate Reporting

1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN FRANCISCO DIVISION
4

5 ANN OTSUKA, an individual; JANIS No. C-07-02780-SI
6 KEEFE, an individual; CORINNE
7 PHIPPS, an individual; and
8 JUSTIN KISER, an individual;
9 individually and on behalf of
10 all others similarly situated,

11 Plaintiffs,
12 vs.

13 POLO RALPH LAUREN CORPORATION;
14 a Delaware Corporation; POLO
15 RETAIL, LLC, a Delaware Corporation;
16 POLO RALPH LAUREN CORPORATION, a
17 Delaware Corporation, doing business
18 in California as POLO RETAIL CORP;
19 FASHIONS OUTLET OF AMERICA, INC., a
20 Delaware Corporation and DOES 1-500,
21 inclusive,

22 Defendants.
23 /

24
25 DEPOSITION OF PHOEBE MIRELES

DATE: November 15, 2007

TIME: 10:15 a.m.

LOCATION: One Montgomery Street
Suite 3220
San Francisco, California

REPORTED BY: Mary E. Garland
Certified Shorthand Reporter
License Number 4721

Page 1

<p>1 hires after April 2004, if you remember?</p> <p>2 A. I believe it was just to the new hires.</p> <p>3 Q. So only those individuals who were hired after</p> <p>4 April 2004, their compensation was governed by plan B;</p> <p>5 is that correct?</p> <p>6 A. Yes.</p> <p>7 Q. And you don't recall, as I think you testified,</p> <p>8 whether individuals who received the compensation</p> <p>9 handbooks were required to sign an acknowledgment that</p> <p>10 they had received, reviewed, and understood the</p> <p>11 policies?</p> <p>12 A. I can't recall that.</p> <p>13 Q. I'm going to show you what was previously</p> <p>14 marked -- I don't have an exhibit number here.</p> <p>15 Let's go off the record, and maybe Bill can</p> <p>16 find the exhibit number.</p> <p>17 (Discussion held off the record.)</p> <p>18 MR. KITCHIN: Let's go back on the record.</p> <p>19 We're going to attach as the next exhibit in</p> <p>20 line, which is Exhibit Number 30, the "Polo Ralph Lauren</p> <p>21 Polo Retail Corporation Sales Associate Compensation"</p> <p>22 July 2005 handbook, Bates stamped 739 through 751.</p> <p>23 (Exhibit 30 marked for identification.)</p> <p>24 Q. BY MR. KITCHIN: We're looking at Exhibit 30.</p> <p>25 I'm wondering if you recall a revised or new sales</p>	<p>1 this handbook?</p> <p>2 A. No.</p> <p>3 Q. On page 774 -- actually, beginning 773, the</p> <p>4 right-hand column is a column entitled "Employee Conduct</p> <p>5 and Responsibilities." Do you recall reviewing this</p> <p>6 section of the handbook at some point during employment</p> <p>7 at the Stanford Shopping Center?</p> <p>8 A. Yes.</p> <p>9 Q. And on page 774, number 23, which reads,</p> <p>10 "Divulging personal salary arrangements to other Polo</p> <p>11 Retail Corporation associates," was that a policy that</p> <p>12 was, to your knowledge, consistently applied in the Palo</p> <p>13 Alto, Stanford Shopping Center Polo store?</p> <p>14 A. Yes.</p> <p>15 Q. If you'd, please, turn to page 778. In the</p> <p>16 right-hand column, there is a section about the middle</p> <p>17 of the page entitled "Bag Inspection."</p> <p>18 A. Yes.</p> <p>19 Q. Was this a policy that was applied consistently</p> <p>20 to all sales associates at the Stanford Shopping Center</p> <p>21 Polo store during the course of your employment?</p> <p>22 A. It applied to all employees.</p> <p>23 Q. To all employees, including managers?</p> <p>24 A. Yes.</p> <p>25 Q. Including tailors?</p>
<p style="text-align: right;">Page 94</p> <p>1 associate compensation handbook being issued in about</p> <p>2 July of 2005?</p> <p>3 A. No. Because I was no longer with the company.</p> <p>4 Q. You left --</p> <p>5 A. In April of '05.</p> <p>6 Q. In April. So you have never received a copy of</p> <p>7 this handbook?</p> <p>8 A. No.</p> <p>9 Q. Well, we now have it as part of the record,</p> <p>10 anyway.</p> <p>11 A. Okay.</p> <p>12 Q. I'm going to show you what we previously marked</p> <p>13 as Exhibit 4, and I'll represent to you that these are</p> <p>14 selected pages, not the entire handbook, but selected</p> <p>15 pages, from the Polo Ralph Lauren retail employee</p> <p>16 handbook dated 2002.</p> <p>17 Do you recall seeing or receiving a copy of</p> <p>18 this handbook when you were employed at Polo?</p> <p>19 A. Yes.</p> <p>20 Q. And as Women's department manager, were you</p> <p>21 required by Polo to implement the policies set out in</p> <p>22 this employee handbook?</p> <p>23 A. Yes. To a certain extent, yes.</p> <p>24 Q. Did you, as a Women's department manager, have</p> <p>25 any discretion to deviate from the policies set out in</p> <p style="text-align: right;">Page 95</p>	<p style="text-align: right;">Page 96</p> <p>1 A. Yes.</p> <p>2 Q. I'm going to show you what we previously marked</p> <p>3 as Exhibit 5, "Polo Ralph Lauren Retail Employee</p> <p>4 Handbook 2002-Volume 2." Do you recall seeing this</p> <p>5 handbook during the course of your employment at Polo?</p> <p>6 A. I can't recall about Volume 2, honestly.</p> <p>7 Q. I'll represent to you, again, that this is some</p> <p>8 selected pages from a larger manual.</p> <p>9 A. Okay.</p> <p>10 Q. But you don't recall a Volume 2 for the</p> <p>11 handbook?</p> <p>12 A. No.</p> <p>13 Q. I'll show you what has been marked as Exhibit</p> <p>14 6. Again, it's some selected pages from the retail</p> <p>15 handbook. This one is subtitled "2002-Volume II."</p> <p>16 Do you remember seeing this document or this</p> <p>17 handbook before?</p> <p>18 A. May I ask a question? Was it this size, was it</p> <p>19 actually this size? Because there were several. There</p> <p>20 were ones that were smaller. If it was this size, I can</p> <p>21 briefly recall something about this standard size.</p> <p>22 Q. This is the way it was produced to us at</p> <p>23 discovery, so I don't know the original size.</p> <p>24 A. Okay.</p> <p>25 Q. I believe, based on review of this specific</p> <p style="text-align: right;">Page 97</p>

25 (Pages 94 to 97)

1 CERTIFICATION OF DEPOSITION OFFICER
2

3 I, MARY E. GARLAND, duly authorized to administer
4 oaths pursuant to Section 2093(b) of the California Code
5 of Civil Procedure, do hereby certify that the witness
6 in the foregoing deposition was duly sworn by me to
7 testify to the truth, the whole truth and nothing but
8 the truth in the within-entitled cause; that said
9 deposition was taken at the time and place therein
10 stated; that the testimony of said witness was
11 thereafter transcribed by means of computer-aided
12 transcription under my direction; that the foregoing is

13 a full, complete and true record of said testimony; and
14 that the witness was given an opportunity to read and
15 correct said deposition and to subscribe to the same.

16 I further certify that I am not of counsel or
17 attorney for either or any of the parties in the
18 foregoing deposition and caption named, nor in any way
19 interested in the outcome of the cause named in said
20 caption.

21 Executed November 26, 2007, at San Francisco,
22 California.


23
24 
25 MARY E. GARLAND, CSR 4721

EXHIBIT 16.

Golden Gate Reporting

1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN FRANCISCO DIVISION

4 -----X
5 ANN OTSUKA, an Individual; JANIS
6 KEEFE, an individual, CORINNE PHIPPS,
7 an individual, and JUSTIN KISER,
8 an individual, individually and
9 on behalf of all others similarly
10 situated,

11 Plaintiffs.

12 v.

13 No. C-07-02780-SI

14 POLO RALPH LAUREN CORPORATION,
15 a Delaware Corporation, POLO
16 RETAIL, LLC, a Delaware Corporation,
17 POLO RALPH LAUREN CORPORATION, a
18 Delaware Corporation doing business
19 in California as POLO RETAIL CORP.,
20 FASHIONS OUTLET OF AMERICA, INC., a
21 Delaware Corporation, and DOES -500,
22 inclusive,

23 Defendants.

24 -----X
25
26 December 6, 2007
27 New York, New York
28 Time: 10:26 a.m.
29 Volume 1, Pages 130

30 Deposition of SHARONDA WEATHERSPOON, taken on behalf
31 of the Plaintiffs, at Greenberg Traurig, Met Life Building,
32 200 Park Avenue, New York, New York, commencing at 10:26
33 a.m., December 6, 2007, before Anthony Armstrong, a Notary
34 Public and Certified Shorthand Reporter of the State of New
35 York.

Page 1

<p>1 Q. Has anyone, other than perhaps Polo's counsel, 2 ever described that process happening in a factory 3 outlet store in California?</p> <p>4 A. I'm not sure I understand that question.</p> <p>5 Q. Has anyone -- I don't want you to disclose any 6 information you have received from Polo's attorneys 7 regarding the process that you described, the clocking 8 out, the managers, all of that. So my question is, has 9 anyone ever described that that is the way the process 10 works in any store in California?</p> <p>11 A. No, no one has ever described that that's the 12 way that the process works.</p> <p>13 Q. Do you know how the process has ever worked 14 for bag inspections in California based on your 15 observations or information you have received from 16 anyone other than Polo's counsel?</p> <p>17 A. Not specific to California.</p> <p>18 Q. Have you had any discussions with anyone, 19 other than perhaps Polo's counsel, regarding the time 20 period between when a sales associate has clocked out 21 and the time that they have undergone a loss prevention 22 inspection in California factory outlet stores?</p> <p>23 A. No.</p> <p>24 Q. Have you heard anyone in management at Polo 25 ever express any concerns about the time it takes from</p> <p style="text-align: right;">Page 74</p>	<p>1 in the Polo employee handbook between or among the 2 factory outlet stores in California?</p> <p>3 A. Can you repeat that?</p> <p>4 MR. KITCHIN: Would you read that back, 5 please?</p> <p>6 (The record was read.)</p> <p>7 A. I'm not sure I understand the question.</p> <p>8 BY MR. KITCHIN:</p> <p>9 Q. I'll break it down. The Polo employee 10 handbook provides or describes some rules and 11 procedures and policies of Polo Ralph Lauren 12 Corporation that are to be applied to workers in 13 California; is that correct?</p> <p>14 A. Yes.</p> <p>15 Q. And those policies include matters such as 16 loss prevention inspections or bag checks; is that 17 true?</p> <p>18 A. Yes.</p> <p>19 Q. They include other things such as rest breaks 20 and meal breaks and guidelines for providing those to 21 employees, correct?</p> <p>22 A. Yes.</p> <p>23 Q. Includes a lot of other things including 24 benefits, descriptions of benefits provided, 25 Are you aware of any variations based on your</p> <p style="text-align: right;">Page 76</p>
<p>1 the point when a sales associate clocks out to the time 2 a bag inspection is done?</p> <p>3 A. No.</p> <p>4 Q. Are you aware of any complaints, other than 5 the complaints in this case, by any sales associate in 6 California about the time it takes to have a bag 7 inspection performed?</p> <p>8 A. I am not aware of any.</p> <p>9 Q. Are you personally aware of any lawsuits, 10 other than this lawsuit, filed against Polo or factory 11 outlets of America by any associate -- sales associate 12 from a factory outlet store over missed, rest, or meal 13 breaks?</p> <p>14 A. Can you repeat that?</p> <p>15 Q. Other than this lawsuit, are you aware of any 16 other lawsuits against Polo brought by factory outlet 17 employees for missing meal or rest breaks?</p> <p>18 A. No.</p> <p>19 Q. Other than this lawsuit, are you aware of any 20 civil complaints or labor commission complaints against 21 Polo for unpaid wages relating to lost prevention 22 inspections?</p> <p>23 A. No.</p> <p>24 Q. Are you personally aware of any variation in 25 the application of the procedures and policies set out</p> <p style="text-align: right;">Page 75</p>	<p>1 personal knowledge in the application of any of those 2 policies or procedures in California's factory outlet 3 stores?</p> <p>4 A. No. Anywhere that there is a variation in the 5 handbook, and it is specific to California such as with 6 the -- no rest breaks. It is normally denoted in the 7 handbook from my -- the best of my knowledge.</p> <p>8 Q. I'm going to show you what was previously 9 marked as Exhibit 11. It's Polo Ralph Lauren 10 simulation handbook, 2005.</p> <p>11 I'm not certain, but I believe this may be just 12 a portion of the handbook.</p> <p>13 Have you seen this before today?</p> <p>14 A. No. This currently isn't used in our outlet.</p> <p>15 Q. Okay. I'll take that back.</p> <p>16 A. In the outlet division.</p> <p>17 Q. Was it used at sometime, to your knowledge?</p> <p>18 A. Not to my knowledge.</p> <p>19 Q. I'm going to show you what was previously 20 marked 11 in this case.</p> <p>21 MR. CAPOBIANCO: You mean 14.</p> <p>22 MR. KITCHIN: Oh, 14.</p> <p>23 BY MR. KITCHIN:</p> <p>24 Q. Are you familiar with this Polo Ralph Lauren 25 employee/new hire loss prevention overview?</p> <p style="text-align: right;">Page 77</p>

C E R T I F I C A T E

I, Anthony Armstrong, a Certified
Shorthand Reporter and Notary Public within
and for the State of New York, do hereby
certify:

That SHARONDA WEATHERSPOON, the witness
whose testimony is hereinbefore set forth, was
duly sworn by me and that such testimony is a
true record of the testimony given by such
witness.

I further certify that I am not related
to any of the parties by blood or marriage,
and that I am in no way interested in the
outcome of this matter.

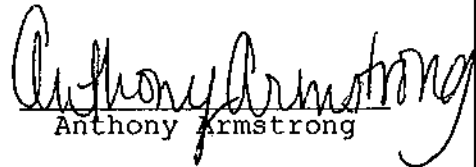

Anthony Armstrong

EXHIBIT 17.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

ANN OTSUKA, an individual; JANIS KEEFE, an individual; CORINNE PHIPPS, an individual; and JUSTIN KISER, an individual; individually and on behalf of all others similarly situated,

Plaintiffs,

vs.

POLO RALPH LAUREN CORPORATION; a Delaware Corporation; POLO RETAIL, LLC, a Delaware Corporation; POLO RALPH LAUREN CORPORATION, a Delaware Corporation, doing business in California as POLO RETAIL CORP; FASHIONS OUTLET OF AMERICA, INC., a Delaware Corporation and DOES 1-500, inclusive,

Defendants.

DEPOSITION OF VALERIE ANN HARRISON

DATE: August 10, 2007

TIME: 10:08 a.m.

LOCATION: 120 Kearny Street
Suite 3200
San Francisco, California

REPORTED BY: Mary E. Garland
Certified Shorthand Reporter
License Number 4721

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<p>1 your department?</p> <p>2 MR. GOINES: Objection. Overbroad.</p> <p>3 Q. BY MR. KITCHIN: You can answer.</p> <p>4 MR. GOINES: What policies?</p> <p>5 THE WITNESS: Yeah, I guess we're going to have</p> <p>6 to talk specifics. I mean, I felt that, yes, we were</p> <p>7 consistent in the Home department.</p> <p>8 Q. BY MR. KITCHIN: Were there any policies that</p> <p>9 you were aware of that Polo had instituted on a</p> <p>10 companywide basis that you, for one reason or the other,</p> <p>11 decided to apply inconsistently to your sales</p> <p>12 associates?</p> <p>13 A. Like? Anything specifically?</p> <p>14 Q. Anything that you --</p> <p>15 A. No.</p> <p>16 Q. -- understood to be a Polo policy that you</p> <p>17 decided, for some reason or the other, to apply to your</p> <p>18 sales associates inconsistently?</p> <p>19 A. No.</p> <p>20 Q. And was that important, to be consistent, for</p> <p>21 purposes of fairness?</p> <p>22 A. I think so.</p> <p>23 Q. Have you take a look at page 777, Exhibit 4.</p> <p>24 There's a category, "General Security." Do you see</p> <p>25 that? The third bullet point says, "Bag checks must be</p> <p style="text-align: right;">Page 90</p>	<p>1 indicated was applied consistently; is that correct?</p> <p>2 A. Yes.</p> <p>3 (Exhibit 5 marked for identification.)</p> <p>4 Q. BY MR. KITCHIN: Exhibit 5 is a "Retail</p> <p>5 Employee Handbook 2002 - Volume 2." Do you recall there</p> <p>6 being a number of revisions or volumes of the retail</p> <p>7 employee handbook that came out in the 2002 time frame?</p> <p>8 A. I don't recall.</p> <p>9 MR. GOINES: And just for the record, this is</p> <p>10 just a portion of what was produced as part of the</p> <p>11 retail employee handbook. It appears that the Bates</p> <p>12 are -- there are pages that you've elected not to</p> <p>13 include in this exhibit?</p> <p>14 MR. KITCHIN: Yes. You'll see, Bill, that most</p> <p>15 of the manuals, I've just included some of the pages</p> <p>16 that I'd like to ask questions about.</p> <p>17 MR. GOINES: I just wanted to make sure that I</p> <p>18 understood the exhibit.</p> <p>19 MR. KITCHIN: Right.</p> <p>20 Q. Do you recall any modifications of the policies</p> <p>21 on commission payments that were made in the 2002 time</p> <p>22 frame, other than the restructure of the payroll system?</p> <p>23 A. Not that I can recall.</p> <p>24 Q. Were there any modifications that you recall</p> <p>25 during that time frame that were made to the returns</p> <p style="text-align: right;">Page 92</p>
<p>1 performed anytime an employee leaves the store."</p> <p>2 Was that policy applied consistently when you--</p> <p>3 were department manager of Home Collections?</p> <p>4 A. Yes.</p> <p>5 Q. Did you see that policy being applied</p> <p>6 inconsistently or not applied to any other sales</p> <p>7 associates in the store?</p> <p>8 A. Not that I can recall ever.</p> <p>9 Q. Did you ever see any of the sales associates</p> <p>10 who worked for Polo leaving during the day out of any</p> <p>11 other door except for the employee exit?</p> <p>12 A. Not that I can recall.</p> <p>13 Q. How about managers? Did you see them exiting</p> <p>14 out of any other door during the time that you worked at</p> <p>15 Polo?</p> <p>16 A. Not that I can recall.</p> <p>17 Q. Didn't Kim Babka use the front door on</p> <p>18 occasion?</p> <p>19 A. I wouldn't know.</p> <p>20 Q. If you'd take a look at page 778, the next</p> <p>21 page. Right-hand column says "Bag Inspection."</p> <p>22 A. Mm-hm.</p> <p>23 Q. Again, it says that, "All packages are subject</p> <p>24 to inspection by store management."</p> <p>25 That policy, you were aware of, and you</p> <p style="text-align: right;">Page 91</p>	<p>1 policies?</p> <p>2 A. Not that I can recall that, either.</p> <p>3 Q. Are there any modifications that you recall</p> <p>4 that were made by Polo Ralph Lauren during the entire</p> <p>5 course of your employment regarding product returns and</p> <p>6 how those product returns might impact employee wages?</p> <p>7 A. Not that I've ever heard.</p> <p>8 Q. A product can be returned by a Polo customer at</p> <p>9 anytime; is that correct?</p> <p>10 A. I think it varied over like -- the policy did</p> <p>11 vary, although I can't speak to that, I don't recall all</p> <p>12 that. And in general, we try to discourage, like if</p> <p>13 they had gone past whatever the policy was, as far as</p> <p>14 returning and the number of days. But, yes, if the</p> <p>15 customer pushed hard enough, we would return it.</p> <p>16 Q. And you in the Home Collections department were</p> <p>17 selling some pretty large ticket items; correct?</p> <p>18 A. That's correct.</p> <p>19 Q. You sold couches; is that correct?</p> <p>20 A. Yes.</p> <p>21 Q. And chairs?</p> <p>22 A. Yes.</p> <p>23 Q. And on occasion, those were delivered and then</p> <p>24 returned; is that correct?</p> <p>25 A. Very rarely.</p> <p style="text-align: right;">Page 93</p>

1 CERTIFICATION OF DEPOSITION OFFICER

2
3 I, MARY E. GARLAND, duly authorized to administer
4 oaths pursuant to Section 2093(b) of the California Code
5 of Civil Procedure, do hereby certify that the witness
6 in the foregoing deposition was duly sworn by me to
7 testify to the truth, the whole truth and nothing but
8 the truth in the within-entitled cause; that said
9 deposition was taken at the time and place therein
10 stated; that the testimony of said witness was
11 thereafter transcribed by means of computer-aided
12 transcription under my direction; that the foregoing is

13 a full, complete and true record of said testimony; and
14 that the witness was given an opportunity to read and
15 correct said deposition and to subscribe to the same.

16 I further certify that I am not of counsel or
17 attorney for either or any of the parties in the
18 foregoing deposition and caption named, nor in any way
19 interested in the outcome of the cause named in said
20 caption.

21 Executed August 15, 2007, at San Francisco,
22 California.

23
24 
25 MARY E. GARLAND, CSR 4721

EXHIBIT 18.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

ANN OTSUKA, et al.,
Plaintiff,

-vs- No. C07-02780 BZ
POLO RALPH LAUREN
CORPORATION, a Delaware
corporation, et al.
Defendants.

Videotaped Deposition of
CORINNE PHIPPS
Tuesday, June 12, 2007

Reported by:
KACY PARKER BARAJAS, RPR, CRR
CSR No. 10915
Job No. 15854LR

APPEARANCES CONTINUED

THE VIDEOGRAPHER:

PHILLIPS LEGAL SERVICES
One Sutter Street, Suite 700
San Francisco, CA 94104
BY: JOSEPH BORGOS

ALSO PRESENT: Kim Babka, Kristi Mogel
--oOo--

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APPEARANCES

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-and-
ALISHA M. LOUIE, ESQ.

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EXAMINATION BY:
MR. GOINES

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EXHIBITS

Deposition of CORINNE PHIPPS
Tuesday, June 12, 2007

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1 (Pages 1 to 4)

1 personality, I probably did ask him questions, but I
2 didn't -- I still didn't understand it and didn't want to
3 look, you know, stupid.

4 Q. Do you recall being provided with any materials to
5 read about the compensation program that you would be
10:25:59 6 affected by as a Polo employee?

7 A. I believe the only documents that I actually
8 remember receiving are -- was the Polo handbook, the Ralph
9 Lauren handbook. I don't recall anything else after that.
10 I'm sorry.

11 Q. Do you recall being advised by Tin that you would
12 be an exempt employee from overtime as a Polo Ralph Lauren
13 employee?

14 A. I don't recall.

15 Q. Do you recall having any discussions with him on
16 the issue of whether you would be entitled to be paid
10:26:29 17 premium overtime as a Polo Ralph Lauren employee?

18 A. I don't recall, but I do remember -- and I don't
19 know if I heard it from someone else or if I read it that
20 there would be some kind of payment at the end of the year
21 if you didn't make your numbers. That's what I remember.
22 It was very confusing to me. It's still very confusing to
23 me.

10:27:15 24 Q. I want to just back up and clear up one thing
25 before I move forward. How did you meet Ms. Otsuka?

1 A. We actually -- that's a good question. We actually
2 both worked in the home department for the -- for the
10:27:29 3 corporation. And you would have to -- when a customer came
4 to you and they didn't have something in stock, what you
5 would do is you would call the other stores in the area to
6 see if they had it in stock. Actually, that's not a hundred
7 percent true. You would look in the computer to see if it
8 was in stock, and then if it was in stock in one of those
9 areas that the computer said, then you would call. And so
10 Annie and I just became friends because we were -- we
11 responded to each other. You know, so we would always ask
10:28:00 12 for one another whenever it was -- you know, whenever there

13 was kind of a stock check or something. You know, you find
14 that that's very helpful in sales. You work with someone
15 that gets back to you in a timely manner, and, you know, you
16 can trust them to get the merchandise out to the person, et
17 cetera.

18 Q. So first introduction to her was at least
19 telephonically trying to do part of your job as a home
20 department salesperson?

21 A. Oh, yeah. We spoke on the phone for a couple
22 months before we met.

10:28:32 23 MR. GOINES: I want to mark as Exhibit C documents
24 that were produced by your lawyers on your behalf in this
25 case, and they're marked "Phipps Confidential," and they're

10:28:47 1 numbers 2 through looks like 8. This will be C.

2 (Exhibit C was marked.)

3 Q. BY MR. GOINES: Corinne, what I believe these
4 represent are the either paychecks -- a portion of your
5 paycheck or a pay stub. Can you tell me what these were or
10:29:28 6 these represent to you?

7 A. Well, they represent, I guess, a paycheck stub.

8 Q. Okay. Let me ask you a question.

9 A. Okay.

10 Q. And I'm sorry for the confusing introduction to
11 this. Is it your recollection that you were paid every week
12 or every other week while a Polo Ralph Lauren employee?

13 A. Just going by these dates and what I can recall, I
14 believe we were paid every week.

10:29:57 15 Q. And was your pay auto deposited, or did you get a
16 physical check?

17 A. Well, I got a physical check for the first couple
18 of rounds, I believe, and then it was auto deposited. I'm
19 pretty sure actually.

20 Q. And when the funds were auto deposited, you would
21 get a document such as the first page of Exhibit C to
22 reflect what was deposited into your account and what was
23 debited in terms of disability insurance and federal income
24 tax and the like?

25 A. Yes.

1 Q. So could I ask you, because I think you raised this
10:30:28 2 question, I want to make sure I understand correctly --

3 A. Okay.

4 Q. -- what you were saying a minute ago. Why don't we
5 go to page that's Bates stamped number 4 in the bottom,
6 right-hand corner.

7 A. Okay.

8 Q. Okay. This appears to be a check or a portion of a
9 check bearing the date August 8th, 2004, for the period
10:30:57 10 ending July 31, 2004. And in the earnings description there
11 says "Overtime 1X 3.96" and then "Rate 12.75." Do you see
12 that?

13 A. I do.

14 Q. And is that what you were referring to a minute ago
15 when you said my paycheck would show overtime but would not
16 have a rate of pay higher than my hourly rate of pay of
17 12.75?

18 A. That's what I meant, yes.

10:31:27 19 Q. When you received a check such as page Bates
20 stamped number 4, which is a part of Exhibit C, do you
21 recall asking anybody any questions as to why it was
22 reflected that these 3.96 hours were compensated at a rate
23 of 12.75 per hour and not at a premium rate?

24 A. I do.

25 Q. And with whom do you recall having a discussion?

1 A. I asked my manager, Valerie Harrison, why I wasn't
10:31:58 2 paid the time and a half.

3 Q. And would this -- was it your practice to take a
4 look at your paychecks to see if it comported with your
5 understanding of what you should be earning?

6 A. Oh, yes.

7 Q. And you would do that with each paycheck?

8 A. Oh, yeah.

9 Q. Okay. And so was it -- was it consistent with your
10 recollection that the first time you saw this "Overtime
11 1X" with a number of hours but at a rate that was equivalent
10:32:27 12 to 12.75 as opposed to some premium you asked Ms. Harrison

13 about that?

14 A. Yes.

15 Q. Other than Ms. Harrison, do you recall discussing
16 the issue that we're discussing overtime reflected on a
17 paycheck calculated at 12.75 as opposed to a higher rate
18 with anybody other than Ms. Harrison?

19 A. The only other person that I can vaguely -- it's
20 even vaguely recollect is Valerie instructed me to go talk
10:32:54 21 to Kristi Mogel, who was the regional HR person, and Valerie
22 actually said sometimes -- it was something along this line.
23 It's not verbatim. But she said that sometimes this
24 happens, that they're -- you know, they miss it in the
25 system, so you have to double-check every paycheck. I

1 thought that was odd because it's like it's not my job. You
2 know, if we're clocking in and out and it should tabulate
3 the hours that we worked overtime. This should be the
4 corporation's responsibility, not my responsibility. So I
10:33:28 5 felt -- I was angry actually. That's how I felt.

6 Q. Did she tell you you weren't entitled to overtime
7 time?

8 A. She did not.

9 Q. She told you to do what?

10 A. She asked me to go speak to Kristi Mogel, the HR
11 person, about it.

12 Q. And did you do so?

13 A. I actually don't recall. But knowing my
14 personality, I probably did.

15 Q. Do you have any recollection of the substance of
16 the conversation with Ms. Mogel regarding the reflection of
10:33:58 17 overtime on your paycheck and not receiving premium pay for
18 overtime on your paycheck?

19 MR. KITCHIN: Objection. Calls for speculation.

20 THE WITNESS: I'm sorry. I don't remember.

21 Q. BY MR. GOINES: I don't like to go back over ground
22 again. Can you tell me what you best recall Ms. Harrison
23 saying the first time you brought this issue up to her?

24 A. Yes. She said that basically sometimes there's
25 like a glitch in the system, and they don't always catch it

1 when you are supposed to be paid your overtime. It was
2 something along those lines.

10:34:30 3 Q. And she said talk to Kristi about it?

4 A. I'm sorry, yes. And she did say to speak to
5 Kristi Mogel about it, yes.

6 Q. Do you recall having a conversation on the subject
7 of a paycheck showing overtime but calculated at a -- at
8 your base rate as opposed to a premium rate with --

9 A. Uh-huh.

10 Q. -- with Ms. Harrison other than on this indication
11 sometimes that's a glitch in the system, talk to Kristi
12 about it, did you bring it to her attention more than once?

13 A. I didn't. To the best -- yeah. I don't think I
14 did. I probably would have remembered, yeah.

15 Q. Other than through this lawsuit, the issue -- have
16 you raised the issue of the -- your -- have you raised the
10:35:28 17 issue of the company's purported failure to pay you overtime
18 with anybody other than Ms. Harrison and perhaps
19 Kristi Mogel, if you recall?

20 A. Like legally or just in passing?

21 Q. Did you write them a letter? Did you call up
22 anybody? Did you get a hold of anybody at Polo and say,
23 look, this is just not calculated right, and I want to be
24 paid what I'm entitled to?

25 A. I don't remember.

<p>1 A. That you have to be physically checked out by a 2 manager. 3 Q. And were you told the reason for the necessity to 4 be checked out physically by a manager? 5 A. No. 6 Q. Did you have some intuition as to what the reason 7 was? 8 A. Yes, absolutely. 9 Q. And so every day that you worked -- let me back up. 10 On a daily basis, were you actually checked in? Was there 11 some process to formally check you in to the store? 12 A. Well, no one was -- I mean, if you're referring to 13 looking through someone's bags while you came in? 14 Q. Thank you for the clarification. 15 A. Then no. 16 Q. Okay. So we'll get into the check-in procedures a 17 little later. I'm now focusing on the checkout procedures. 18 A. Okay. 19 Q. And if I refer to them as loss prevention searches, 20 would you understand what I'm talking about? 21 A. Yes. 22 Q. And you understood the purpose was to make sure 23 that -- even though you were an employee, they wanted to 24 make sure you weren't taking goods or materials out of the 25 store --</p>	<p>1 is -- it could be possible, yes. 2 Q. So if I were to -- your schedule was to work 40 3 hours a week? 4 A. Correct. 5 Q. Normally spread over five days but it could have 6 been spread over four days? 7 A. Yeah. 8 Q. And do you recall what hours your normal shift was? 9 A. No. It would -- it would vary. You could be on 10 the opening shift, the mid shift -- actually, I'm sure -- 11 I'm not sure if they had a mid shift, but you could be an 12 opening shift or a closing shift. 13 Q. Do you recall -- do you have a recollection of what 14 the opening shift hours represented and the closing shift 15 hours represented? 16 A. I don't understand the question. 17 Q. Opening shift starting at time A, ending at time B 18 as opposed to closing shifts starting at a later time and 19 ending at a later time? 20 A. I actually have no recollection of when I was 21 supposed to be there or when I was to leave. 22 Q. Regardless of the time, explain to me how the 23 process worked when you were ready to leave at the end of 24 your shift? 25 A. At the end of my shift?</p>
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<p>1 A. Yeah. 2 Q. -- that hadn't been paid for? 3 A. Sorry. Twice now. It's not bad. 4 Q. Let's break these loss prevention searches up into 5 two pieces if we could. I want to talk about the end of 6 your shift or the end of the day. 7 A. Okay. 8 Q. Did you have a normal schedule that you worked 9 during your tenure at the company? 10 A. I would -- you mean like a -- 11 Q. Date, what days of the week. 12 A. You know what, I was a full-time employee, so I 13 worked any of the given days because they were open seven 14 days a week. 15 Q. Did you ever work more than five days a week? 16 A. I don't -- I don't recall. I would say no though. 17 They were pretty good about that. 18 Q. So ignoring some aberrant event, your normal 19 schedule was to work five days a week? 20 A. Or 40 hours. 21 Q. Or 40 hours? 22 A. Yes. Five days or 40 hours. 23 Q. So you could work 40 hours in less than five days 24 on occasion? 25 A. I don't actually remember any occasion, but it</p>	<p>1 Q. Yes, ma'am. 2 A. The process. It would go something as follows: A 3 manager would come to make sure that your area that you were 4 supposed to clean up was all in order so you would get an 5 okay that you could leave for the evening; you would then go 6 to one of the registers to clock out the time that you were 7 physically leaving the floor. Sometimes -- I would say 8 probably about 50 percent of the time that particular 9 computer or register in your area had already been closed 10 down and counted, and you would have to go into the 11 operations manager's, which was Theresa Cruz. I think she 12 was an operations manager at the time. I don't really 13 remember hundred percent. And you would clock out on her 14 register. So you would get a time stamp. 15 You would gather your things because you couldn't 16 clock out before you gathered your things which is 17 understandable. No big deal. Gather your things and then 18 wait by the back door for a manager or someone who wasn't a 19 regular like kind of floor employee. Someone who had the 20 authority basically. Excuse me. Someone who had the key, 21 that's what it was, key holder. Someone who had a key to 22 let you out, because if you went out on your own, alarm 23 would sound, and that's how it worked. Now -- okay. 24 Q. All right. So going through this checkout 25 process --</p>
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14 (Pages 53 to 56)

<p>1 A. Sure.</p> <p>2 Q. The first step was that a person who had</p> <p>3 responsibility for your general floor area had to tell you</p> <p>4 that your area was suitable for you to depart; is that a</p> <p>5 fair statement?</p> <p>6 A. Yes.</p> <p>7 Q. And did that have to be a manager from your</p> <p>8 department, or could it be any manager in the store?</p> <p>9 A. It could be any manager in the store.</p> <p>10 Q. And would that process be the same if you were</p> <p>11 leaving before the store was closing? As an example, let's</p> <p>12 say you were departing at 3:00 and the store was staying</p> <p>13 open till 6:00, would that same first step in the process be</p> <p>14 applicable?</p> <p>15 A. I don't really recall. I believe that sometimes it</p> <p>16 would and sometimes it wouldn't. I don't remember a hundred</p> <p>17 percent.</p> <p>18 Q. And if I understand correctly, basically someone</p> <p>19 was checking to see that the stock was folded and the things</p> <p>20 were put away where they belonged, fair statement?</p> <p>21 A. No. Not stock but merchandise on the floor.</p> <p>22 Q. So part of your responsibility at the end of the</p> <p>23 day was to make sure that the merchandise that was on the</p> <p>24 floor was put in its proper place and suitably dressed on</p> <p>25 the table and the like?</p>	<p>1 where people would take rest breaks during the course of the</p> <p>2 day?</p> <p>3 A. I don't know if other people would, but I did, so</p> <p>4 yes.</p> <p>5 Q. And then you -- prior to going to the back door,</p> <p>6 would you notify someone that you were ready to go so that</p> <p>7 they could be prepared to check you out? How would you</p> <p>8 then, when you got to the back door, let someone know that,</p> <p>9 hey, I'm ready to go home?</p> <p>10 A. Well, first of all they would know you're leaving</p> <p>11 the floor because they're excusing you.</p> <p>12 Q. Okay.</p> <p>13 A. So that's one way. And on occasion, not very</p> <p>14 often, but on occasion there would be a manager back there.</p> <p>15 But more oftentimes than not you would have to call for a</p> <p>16 manager to come to the back door to let you out.</p> <p>17 MR. FEDER: Bill, there may have been an ambiguity</p> <p>18 on the record. When you were asking her about the</p> <p>19 procedures she used to check out the register. I think</p> <p>20 there were two registers, and I'm not -- she would use her</p> <p>21 register, and then occasionally I guess she would clock out</p> <p>22 on Theresa Cruz's register?</p> <p>23 MR. GOINES: Right.</p> <p>24 MR. FEDER: I'm not sure the procedures are the</p> <p>25 same, but I think you might have lumped those in together.</p>
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<p>1 A. I would say that would be fair, yeah.</p> <p>2 Q. And then the next step would be to go to a register</p> <p>3 to clock out?</p> <p>4 A. Correct.</p> <p>5 Q. And you said about half the time the register where</p> <p>6 I normally clock out would be closed, and I would need to go</p> <p>7 to Theresa Cruz's -- would it be her office or work area to</p> <p>8 clock out?</p> <p>9 A. Yes.</p> <p>10 Q. Okay. And explain to me processwise what would you</p> <p>11 do? Would you enter your employee code number, or how would</p> <p>12 you do that?</p> <p>13 A. Yes. I would enter in my employee code number,</p> <p>14 which is another thing I had a problem with, and then press</p> <p>15 enter or return or whatever it was so --</p> <p>16 Q. And that would clock you out?</p> <p>17 A. Uh-huh.</p> <p>18 MR. FEDER: Yes?</p> <p>19 Q. BY MR. GOINES: Is that a yes?</p> <p>20 A. Yes, yes. I'm sorry, yes.</p> <p>21 Q. And you would gather your things. Did you have an</p> <p>22 employee coffee room or lunch area or locker area where you</p> <p>23 normally kept your personal effects for the day?</p> <p>24 A. Yes.</p> <p>25 Q. Was that also -- was there a break room in there</p>	<p>1 I just want to make sure there's a clear record.</p> <p>2 THE WITNESS: Oh, you're right actually. Sorry.</p> <p>3 Q. BY MR. GOINES: So what was it -- what were the</p> <p>4 differences between the register --</p> <p>5 A. Okay.</p> <p>6 Q. I take it that about half the time you would clock</p> <p>7 out on the register where you would ring up sales?</p> <p>8 A. Correct.</p> <p>9 Q. And you explained to me you would enter an employee</p> <p>10 code and some process that would say I'm leaving for the</p> <p>11 day?</p> <p>12 A. Correct.</p> <p>13 Q. Okay. In Ms. Cruz's office, how did that work on</p> <p>14 her computer?</p> <p>15 A. Okay. So going back to the same 50 percent of the</p> <p>16 time it was on the register that I would ring up sales on or</p> <p>17 not, and then the other half of the time it would be on</p> <p>18 Theresa Cruz's computer.</p> <p>19 Q. Okay.</p> <p>20 A. Generally, when the store was still open, it would</p> <p>21 be on the computer that you were ringing up sales on.</p> <p>22 Q. Right.</p> <p>23 A. After the store had closed -- actually, I think I</p> <p>24 said a little about this, but after the store had closed if</p> <p>25 you were on a closing shift, they would lock out the</p>
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15 (Pages 57 to 60)

<p>1 register that you would be clocking out on, so you could 2 only clock out on one register computer -- computer and 3 register. It's the same. They're synonymous. 4 Q. I'm using those as synonyms as well. 5 A. Okay. Great. So then I would go back to her 6 computer and clock out. That would generally be -- well, 7 we're talking about clocking out. Yeah. So that would 8 generally be when the store had already been closed and the 9 doors were locked, and there were no more customers in the 10 store. 11 Q. And then you would go to the back. Was there only 12 one exit where employees such as yourself could depart at 13 the end of your shift? 14 A. Yeah, yes. 15 Q. And that was at the rear of the store? 16 A. I don't know if it was at the rear. It's not at 17 the rear of the store. It's more like in the basement of 18 the store. 19 Q. And if someone was there, they would go take a look 20 at your bag and good evening, see you tomorrow? 21 A. Relatively, yeah. They would look in your bag, 22 make sure you didn't have anything that was not -- you know, 23 they would make sure that there were no Polo property in 24 your purse that didn't have a receipt for it. They would 25 put a key in the door or in the wall. I think it was in the</p>	<p>1 this? 2 Q. Right. 3 A. No. It's all mental. 4 Q. Okay. So bearing on your recollection of how -- 5 what I'm trying to find is a quantification of the number of 6 days where you had to wait longer than a moment or two and 7 then -- well, let me stop there. 8 A. Sure. 9 Q. Okay. How many -- can you quantify the number of 10 occasions where you had to wait for a manager to be 11 contacted to arrive at the exit door and be checked out? 12 A. Now we're only talking about checking out at night; 13 is that correct? 14 Q. Yes, ma'am, yes. 15 A. That's it? 16 Q. Yeah. 17 A. I would probably say to my best recollection 18 probably three times a week out of five. 19 Q. Okay. 20 A. That I would have to wait any -- in an upwards of a 21 half an hour. 22 Q. And when you say three times a week wait upwards to 23 a half an hour, was it always a half hour? Was it sometimes 24 five minutes? I'm trying to get some recollection of how 25 long this would take.</p>
<p>Page 61</p> <p>1 wall. Maybe it was in the door. I don't remember. And 2 then they would let you out so the alarm wouldn't go off. 3 Q. And then you indicated there were -- I don't want 4 to put words in your mouth, nor do I want to mischaracterize 5 what you said, but there were occasions where you had to 6 call for a manager to allow you to be -- to allow the loss 7 prevention search to take place and then depart? 8 A. Correct. 9 Q. Okay. And I think you indicated kind of putting 10 two and two together that on occasion, I don't want -- I 11 want you to quantify it if you can. 12 A. Okay. 13 Q. I had to -- it took a long time to get a manager to 14 come, and I missed appointments, missed trains, and the 15 like, correct? 16 A. That is correct. 17 Q. Okay. So you worked at the company from the latter 18 part of June to the latter part of October. Are you able to 19 tell me did you keep any record of the days where it was 20 longer than a moment or two for you to check out of the 21 store, a moment or two meaning a manager was there within 22 close proximity as opposed to when you specifically had to 23 call for a manager to come to the door to allow you to be 24 exited? 25 A. So you're asking if I have any written record of</p> <p>Page 62</p>	<p>Page 63</p> <p>1 A. It would take anywhere -- my best guess -- and this 2 is just wait time, not when a manager is standing right 3 there; is that correct? 4 Q. Right. 5 A. Anywhere probably from ten minutes to a half an 6 hour. 7 Q. And this would happen -- ten minutes to a half hour 8 would happen three times a week checking out? 9 A. Very regularly, yes. That's my definition of 10 happening regularly, at least three times a week checking 11 out. 12 Q. You seem to want to make sure we're talking about 13 checking out. Were there other occasions where you had to 14 wait to either check in or check out? 15 A. Oh, yeah. 16 Q. Okay. Explain those to me, please, so I can 17 inquire about those. 18 A. Okay. So when you had to check in at a certain -- 19 let's just say when you're starting your shift in the 20 morning, this is -- actually, whenever you're starting your 21 shift, now that I -- whenever you would start your shift, 22 you would have to ring the doorbell to be let in. And if 23 there was not a manager down in the area waiting or 24 listening to a bell or on their lunch break or what have 25 you, you would be waiting outside to come in to check in to</p> <p>Page 64</p>

1 of these coworkers provide you about the checkout procedures
11:20:00 2 at the end of the workday?

3 A. Well, I don't think really the checkout procedures
4 were of any question, like the loss prevention part, but
5 having to wait was definitely an issue with everybody, you
6 know. And it's more like the moaning and groaning like why
7 do we have to wait, they know we're waiting here. You know,
8 that kind of thing. Oh, Stacy. There was another woman,
9 Stacy. She was in the women's department. Sorry. I didn't
10 mean the backtrack but --

11:20:27 11 Q. That's all right. And do I understand correctly
12 that on all occasions when you came to work at the start of
13 your shift or left for lunch break, reentered after your
14 lunch break and left in the evening was all at the same --
15 same door?

11:20:58 16 A. Yes. I actually have to ask my lawyers another
17 question.

18 Q. Please.

19 A. Sorry.

20 Q. No problem.

21 THE VIDEOGRAPHER: Going off the record, the time
22 is 11:21.

11:25:50 23 (Brief recess taken.)

24 THE VIDEOGRAPHER: We are back on the record. The
11:25:57 25 time is 11:25 a.m.

1 MR. KITCHIN: Before you get started, again I'm not
2 sure if you're going to be talking more about the clock-in,
11:26:30 3 clock-out procedure, but Ms. Phipps may have a
4 clarification -- was waiting for a question. I'm sure has
5 some information regarding the clocking out procedure as it
6 relates to Ms. Cruz. And you may get back to that, but I
7 want to make sure.

8 Q. BY MR. GOINES: I'm more than delighted to have her
9 clarify an answer without an additional question if there's
10 something that you indicated earlier that might amplify or
11:26:56 11 clarify, I would appreciate your doing so at this point.

12 A. Okay. It's actually both amplifying and

13 clarifying. When -- it is true that when you were relieved
14 for the night of your duties that you would not be -- the
15 register that you were on would be already closed out for
16 the evening because they would count the register and make
17 sure the cash and credit card receipts were all there. So
18 you would have to go to Theresa Cruz's office to check out.

19 Q. Okay.

11:27:28 20 A. A number of times, and I don't have a very good
21 number, I would say maybe -- maybe 30 percent of the time
22 that we would clock out at night she would already be on her
23 computer doing her reports or whatever she is doing, and she
24 would say, oh, don't worry about it; I've already clocked
25 you out.

REPORTER'S CERTIFICATE


I certify that the witness in the foregoing deposition,

CORINNE PHIPPS

was by me duly sworn to testify in the within-entitled cause; that said deposition was taken at the time and place therein named; that the testimony of said witness was reported by me, a duly Certified Shorthand Reporter of the State of California authorized to administer oaths and affirmations, and said testimony was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for either or any of the parties to said deposition, nor in any way interested in the outcome of the cause named in said deposition.

IN WITNESS WHEREOF, I have hereunto set my hand this 25th day of June, 2007.


KACY PARKER BARAJAS, RPR
Certified Realtime Reporter
State of California
Certificate No. 10915